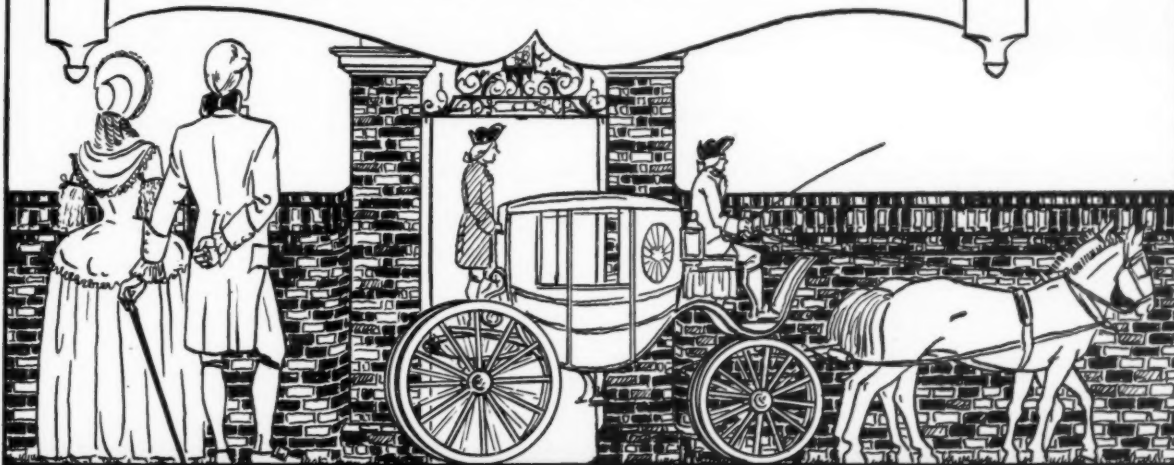


The NATIONAL UNDERWRITER

Virginia 1788

Virginia, one of the original thirteen states, is proud of its history. The first permanent English settlement in America was at Jamestown in 1607, and it was there, in 1619, the House of Burgesses convened—our earliest representative law-making body. Virginia is the land of George Washington, Thomas Jefferson, James Madison, James Monroe, Patrick Henry, John Marshall, Robert E. Lee and Woodrow Wilson. It has rightfully been called "The Mother of Presidents," eight native sons having had the honor to hold that high office. Jamestown, Williamsburg, Yorktown, Mount Vernon, Monticello, Stratford, Kenmore, Arlington, the Blue Ridge and Allegheny Mountains, Natural Bridge and the numerous Caverns are some of the many historical shrines and places of scenic beauty in this Commonwealth. Virginia is a progressive state—in an area extending from mountains to the sea—mineral deposits, fertility of soil, tidewater, industry and commerce insure Virginia's continued progress. Manufactures are varied and extensive, some of the chief products being cigarettes, ships, textiles, paper, furniture and chemicals. Its highly diversified agricultural products include corn, tobacco, cotton, fruits, peanuts and sweet potatoes. Livestock, dairying, turkey and oyster raising are important industries, and the "Virginia Smithfield Hams" are famous all over the world. In Virginia, ambitious agents can go only forward.



CRUM & FORSTER
MANAGER



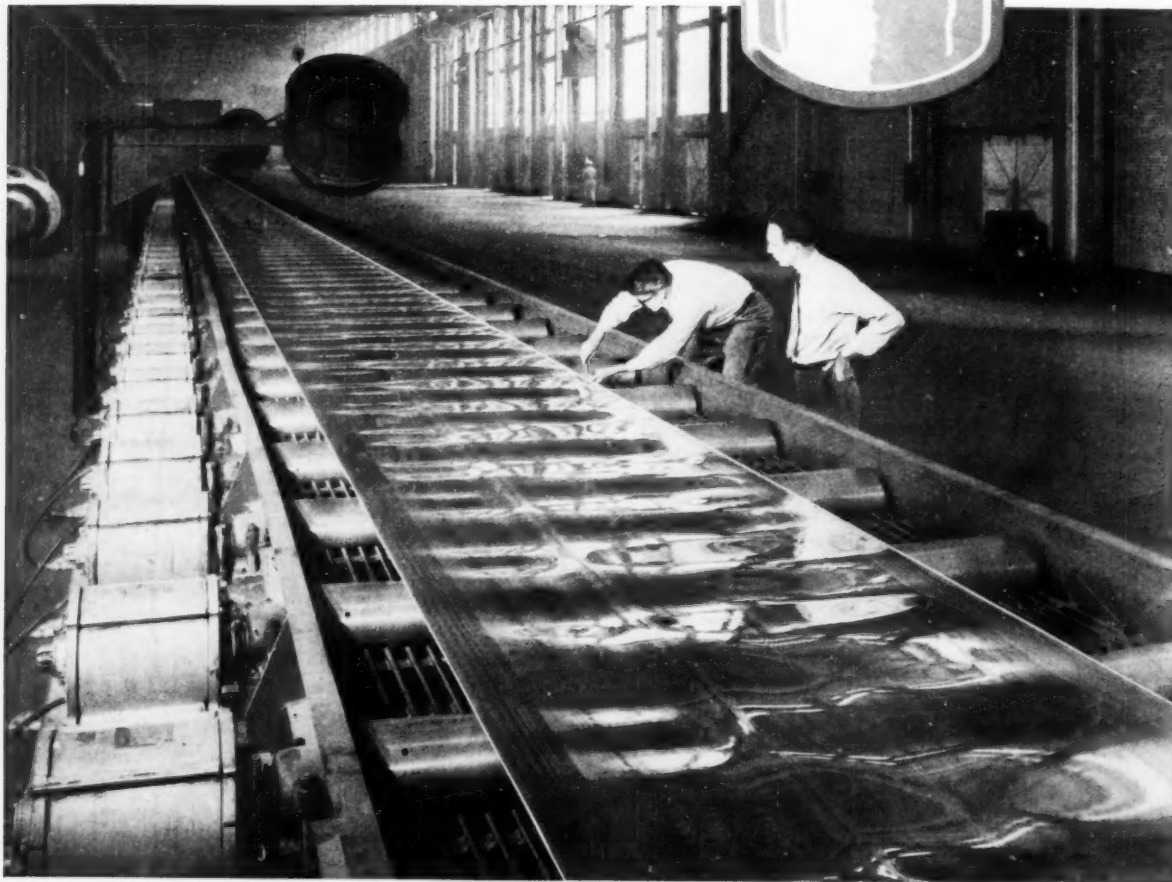
110 WILLIAM STREET • NEW YORK 7, NEW YORK

UNITED STATES FIRE INSURANCE CO. Organized 1824	THE WESTERN ASSURANCE CO., U. S. Branch Incorporated 1851
THE NORTH RIVER INSURANCE CO. Organized 1822	THE BRITISH AMERICA ASSURANCE CO., U. S. Branch Incorporated 1833
WESTCHESTER FIRE INSURANCE CO. Organized 1837	SOUTHERN FIRE INSURANCE CO., Durham, N. C. Incorporated 1923
THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh Organized 1868	

WESTERN DEPT. FREEPORT, ILL. PACIFIC DEPT. SAN FRANCISCO SOUTHERN DEPT. ATLANTA ALLEGHENY DEPT. PITTSBURGH CAROLINAS DEPT. DURHAM, N. C.

THURSDAY, JANUARY 26, 1950

If Disaster Strikes-



Reinsurance Lessens the Shock. Modern electrolytic equipment and safer methods of handling molten metal have made aluminum plants increasingly safer. Yet, an untimely accident could seriously impair output and cause heavy loss if your reinsurance contracts are not properly drawn. Our experience and facilities can be useful to you in providing adequate reinsurance coverage for your clients in every field of industry.

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CASUALTY, FIRE, FIDELITY AND SURETY REINSURANCE

War Issue

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Wartime Marine Insurance Issue Is Reviewed

WASHINGTON—While nothing definite was scheduled as yet, marine insurance interests are understood to expect consideration before long by the House merchant marine committee of permanent legislation to authorize the maritime commission to write war risk insurance. Rep. Bland, merchant marine chairman, favors this measure. However, Rep. Weichel, Ohio, who sponsored a resolution to investigate wartime insurance activities of maritime and war shipping administration, was considering submitting a minority report from the Bonner subcommittee.

Weichel was overruled in the subcommittee when he tried to put over his investigation proposal, in connection with the subcommittee's report.

The Bonner report deals with war risk, World War II marine insurance other than war risk, and contains recommendations to facilitate consideration of permanent war risk legislation.

Recognizing the need for standby legislation on war risk, the subcommittee said "It is far better to enact such legislation now, when probable future needs can be evaluated and determined and proper safeguards provided in the light of past experience and on the basis of full and unhurried consideration of all factors, than to be confronted with the urgent necessity thereof in an emergency with the consequent possible hasty enactment of insufficiently considered legislation."

Qualifications Set Forth

With reference to the pending war risk bill, the subcommittee said the authority it proposes "to provide war risk insurance and reinsurance under specified conditions should not extend to participation by marine insurance companies or syndicates—whose inability or unwillingness to insure war risks on their own responsibility is a major reason for the need of legislation on the subject—in the insuring at the expense of the government.

"This is in accordance with the practice in World War II as to marine war risk insurance," the subcommittee report adds, "but definitely not what was done as to other marine insurance."

The committee objects to a provision of the bill which would preclude review by any government executive or accounting officer of loss payments, adjustments, compromises and settlements the maritime commission might make.

Finality Not Needed

Such finality is not needed, the subcommittee said, and called attention to "inherent danger" in such provisions where "they go along with legislative delegation of broad authority and discretion to obligate the government to spend tremendous sums of the public money."

The broad discretion which the bill would give maritime as to war risk "and the history of performance during World War II," the report says, "emphasize the need for normal, if not extraordinary, measures to protect the government from arbitrary, illegal or ill-advised expenditures." The government should have protection of audits by the general accounting office, for the commission's war risk transactions.

Accordingly, the subcommittee recommended elimination of "finality" provisions of the bill, "thus making marine war risk insurance transactions of the maritime commission subject to normal and necessary audit procedures."

In discussing performance under the wartimepandi and wartimehull agree-

ments, the Bonner report stated that according to reports made by the marine insurance syndicate, at March 1, 1947, the government had paid to those syndicates wartimepandi and wartimehull premiums totaling \$149,932,559, from which the syndicates had expended the aggregate sum of \$45,662,197 for losses and the expenses allowed them by the agreements. The balance of \$104,270,402, retained by the syndicates to cover unreported and unpaid losses, underwriting profit credits, and expense allowances, was available for investment by the syndicates. Pertinent financial reports indicate that investment profits accruing to the syndicates on that balance exceeded \$18 million at March 1, 1947, and that thereafter still further substantial profits continued to accrue on the diminishing balance.

Also, it is evident that no consideration was given to the wartimepandi and wartimehull agreements, or in the amendments thereto eliminating renegotiation of profits, to additional profits which could and did accrue to the insurance syndicates through savings from the expense allowances to those syndicates for management, supervision and claims service. Additional profits from this source, in which the government had no share, were estimated by the general accounting office as more than \$2 million at March 1, 1947.

Report \$20 Million Profits

In sum, it appears that at March 1, 1947, the marine insurance syndicates had gained at the expense of the government more than \$20 million in profits, over and above maximum underwriting profits provided for them in the wartimepandi and wartimehull agreements; that the agreements made no provision for the government to share in these additional profits; and that partial recovery of such profits through renegotiation, possible under the original agreements, is precluded by subsequent amendments eliminating renegotiation. In view of the terms of the agreements as amended, and of the contractual authority of the maritime commission under which the agreements and amendments thereto were made, there is perceived no legal basis for collection by the government of any part of the additional profits of the syndicates.

C. F. Thomas, Great Leader in West, Dies at 77

Charles F. Thomas, who as manager of Western Underwriters Assn. was the heart of the fire insurance business in the middle west for nearly 20 years, died early Wednesday morning at Presbyterian hospital, Chicago, whence he had been confined about a month. John M. Thomas, president of National Union Fire, was notified Tuesday that the end was near, but he was unable to reach Chicago by air and did not arrive there until a few hours after his brother's death. Funeral services are being held at Evanston, Ill., Friday at 2:30 P. M.

Mr. Thomas retired as W.U.A. man-



C. F. Thomas

SELLERY EXECUTIVE V.-P.

Ben Butler Now Western Adjustment General Manager

The annual meeting of stockholders of Western Adjustment was held at Chicago Monday.

John C. Harding, Springfield F. & M.;



ROY A. SELLERY

A. F. Powrie, Fire Association; C. H. Smith, Hartford Fire, and Bradford Smith, Jr., North America, were elected directors for a three-year term.

U. S. Manager H. C. Conick of Royal-Liverpool, and Roy A. Sellery were elected directors for a three-year term.

C. E. Dox, London & Lancashire, was elected director for a three-year term succeeding C. Claussen, resigned.

H. M. Mountain, Aetna Fire, and W. E. Newcomb, Great American, were elected for two years to fill the unexpired term of C. L. Allen, resigned, and S. M. Buck, deceased.

L. W. King, vice president of St. Paul F. & M., was elected for one year to fill the unexpired term of C. A. Dossdall, deceased.

The by-laws having been changed by action of the board at its December

(CONTINUED ON PAGE 25)

Move to Take Fla. Term Rule Issue from Court

Agents and Companies Agree Decision Should Be Made by Larson

A meeting was held at Jacksonville, Fla., between representatives of Southeastern Underwriters Assn. and of Florida Assn. of Insurance Agents to consider the objections made on behalf of Florida Inspection & Rating Bureau to the petition filed on behalf of the Florida agents to intervene in the suit for declaratory decree brought by Commissioner Larson of Florida. It was agreed that the court would be asked to postpone the determination of the right of the agents to intervene in that suit for the purpose of permitting a motion to dismiss the entire proceedings to be filed on behalf of the Florida bureau. The motion to dismiss will challenge the right of Commissioner Larson to ask the court to pass upon the legality of the several premium payment plans and the term rule under the Florida regulatory statute, it being the position of counsel for both the bureau and agents that it was the duty and responsibility of Mr. Larson to reach a decision on these questions before there might be any court review of his decision.

Determination Is Stayed

On Jan. 20 the circuit court at Tallahassee entered an order staying the determination of the questions in connection with the right of the agents to intervene and permitting counsel for the Florida bureau to file a motion to dismiss. Such a motion to dismiss is to be filed on or before Feb. 1 and the court is to be asked to grant an early hearing of this motion.

Forbes Asks Clarification on Replacement Cost Cover

LANSING, MICH. — Commissioner Forbes is asking fire carriers for clarifying interpretation of the replacement cost endorsement being attached to certain fire policies in Michigan under a 1949 amendment to the insurance code.

Questions have arisen, he noted, as to how the rider is to be interpreted where the owner wishes or is obliged to replace a burned structure with a building embodying superior materials than were contained in the property destroyed.

It was noted that in many instances more modern construction would be considered advisable in replacing a building originally erected a number of years ago and in a number of cases city fire ordinances or zoning regulations would not permit reconstruction on the same basis as before.

The department also is planning to query the fire companies as to the proper classification by agents of suburban dwelling risks located on properties of more than three acres but not actually being used as farms or embodying the usual farm risks. In most cases, occupants of these homes do not engage in farming and it seems unreasonable to apply the farm rate. A uniform procedure, however, is considered desirable.

WESTERN ADJUSTMENT REPORTS ON 1949

Wind Losses at New High; Total Claims Drop Slightly

Claims handled by Western Adjustment in 1949 as reviewed in the organization's report to stockholders, remained at a high level, the total being 521,818, a decrease of only 13,000 from the 1948 figure. The only line to show a noticeable drop was automobile. For the past five years, losses by lines have been:

	1945	1946	1947	1948	1949
Fire	100,471	117,744	132,355	145,879	142,705
Auto	74,556	98,597	105,870	100,418	90,641
Wind-storm	145,104	128,174	212,697	250,705	252,063
Inland					
Marine	18,842	27,894	33,633	36,024	35,995
Aircraft	304	860	2,055	1,124	414

Totals 339,277 373,269 486,610 534,150 521,818

The report states that in the first three-quarters of the year there was never a difference between 1948 and 1949 of more than 5,000 losses in any one quarter. This fact, coupled with the improvement in personnel, both as to numbers and training, enabled Western to operate the first nine months almost entirely without the constant pressure which prevailed in 1947 and 1948.

When the winds of Oct. 10 struck the northern states, an area more or less free from storms, the organization was in such condition that it was possible to transport men to the territory in sufficient number to clean up the work before winter. To transport, house, board and office the large numbers of adjusters and clerical people involved in such an operation requires heavy expenditures in the aggregate. The report noted, however, that the value of these operations to public relations can scarcely be over-emphasized.

1949 Started Softly

Western Adjustment began the year with an open claim file numbering 51,093. The year started softly despite the great blizzards in the western plains states. The first storm of consequence was at Kansas City on Jan. 3, and then on the evening of Jan. 18 and the morning of Jan. 19, a high wind passed over northeastern Indiana and southeastern Michigan. Damage resulted at Ft. Wayne, Ann Arbor, Jackson, Lansing, Dearborn, Detroit, Pontiac, Flint and Bay City with losses totaling about 25,000. There was a heavy storm March 30 at Fulton, Mo., and in April, Garden City, Kan., and Owensboro, Ky., were hit.

A series of widely separated tornadoes during May caused heavy losses at Brainerd, Minn., Hastings and North Platte, Neb., and Norton, Liberal, Great Bend, Wichita, and Columbus, Kan. The areas involved at Joplin and Cape Girardeau, Mo.; Wood River, Ill., and Terre Haute, Ind., were almost wiped out.

By Oct. 1, the inventory of open losses was reduced to 37,866, the lowest of the year. Then on Oct. 9 a storm gathered east of the Black Hills, circled over western Kansas and on Oct. 10 drove northeast through portions of Nebraska, northern Iowa, and at speeds ranging from 50 to 90 miles per hour swept Minnesota, Wisconsin and the upper peninsula of Michigan.

Western set up storm offices at Des Moines, Duluth, Minneapolis, Rochester, St. Cloud, St. Paul, Eau Claire, La Crosse and Rhinelander, and branch assistance was furnished to Ft. Dodge, Mason City, Sioux City and Waterloo, Ia., Great Bend, Kan., Ishpeming, Mich.; Brainerd and Montevideo, Minn., and Wausau, Wis. The number of adjusters moved into the area totaled 165 and in 60 days more than 88% of the 50,800 losses assigned had been adjusted and temporary offices closed.

During the year Western conducted 61 special catastrophe operations involving 96,200 claims with paid losses of \$8,382,000.

In contrast to the increase in storm losses, fire adjustments for the first time in 11 years showed a slight decline.

Nevertheless, large fires showed only a minor decrease in frequency and dollar loss.

For the year 1949, Western handled 3,294 losses in the \$5,000 to \$50,000 bracket with insurance claims of more than \$35,566,000. In the more than \$50,000 category, 251 losses produced insurance claims of \$33,879,000. The combined figures of these larger losses represent about a 3% decline in frequency and an 8% drop in loss and, according to the report, reflect the renewed worth of fire prevention activity and better maintenance.

Metal Workers Most Hazardous

Metal workers were first on the list with 54 losses totaling \$7,898,900. Department stores and other mercantile operations and office buildings were second with 49 bad fires and a loss of \$6,133,400. Railroads, common carriers and public utilities were third with 23 claims aggregating \$3,826,000. Wood workers in furniture plants accounted for nine serious losses amounting to \$2,139,000. Automobile sales and supply dealers sustained seven claims for \$536,000, and paint and chemical plants furnished eleven losses amounting to \$1,070,400.

Other classifications and their loss numbers and amounts were: Churches, schools and public buildings, 20 losses, \$1,771,400; lumber and building material dealers, seven losses, \$611,100; hotels, clubs and amusements, 12 losses, \$987,000; paper mills and printing plants, 10 losses, \$953,900; packing plants and food processors, nine losses, \$1,516,000. Mining, clay products and petroleum industries brought eight substantial claims amounting to \$2,094,000, and two of these, a pipe line station loss of \$675,100 and a clay worker loss of \$655,600 were among the largest individual claims. Brewing and distilling operations furnished four bad fires with a loss of \$921,000, but this figure does not include the whisky warehouse fire of late October which is estimated to exceed \$1,500,000.

U. & O. Losses Down

Business interruption, extra expense, rent and leasehold losses increased in frequency almost 25%, but the overall loss payment again declined in 1949. Of the 438 business interruption losses developed paid loss of \$5,007,085 with property loss of \$13,569,734. Of these, 144 were over \$5,000 and accounted for more than 92% of the loss total. The business interruption loss in 44 cases of amounts over \$5,000 exceeded the property loss and this was the case also in 74 losses of less than \$5,000. The co-insurance deficiency dropped to nearly 23%, well below wartime figures, and the report states that this indicates that underwriters are beginning to catch up with industry fluctuations. Extra and/or expediting expense remained close to average, just 9% of the total B.I. loss. Some 80 rent losses furnished only 10 claims in excess of \$1,000 and amounted to \$54,186. One leasehold loss, the first in some years, cost \$46,072.

While the larger business interruption losses presented a number of unusual situations, the report observes that apparently industry generally may have accomplished readjustment to a competitive basis; that is, shifted from capacity operation to production or sales in direct relation to demand.

Among the problems still difficult of solution are those of determining sound value, improvements and betterments and leasehold items. With the advent of several plainly marked arson losses, Western has taken steps to alert the staff so that cooperation with investigating authorities may be proper and beyond involvement.

Automobile losses in 1949 decreased

(CONTINUED ON PAGE 25)

Michigan Midyear Program Released

The program for the midyear meeting of Michigan Assn. of Insurance Agents at the Hotel Book-Cadillac, Detroit, Feb. 22-24, has been released by Waldo O. Hildebrand, secretary-manager.

On Wednesday afternoon there will be a meeting of the disability benefits law committee with David T. Marantette, Detroit, chairman, presiding. This will be followed by a meeting of the committee on group pension plans presided over by Mark Pleune, chairman. That evening, Leon J. McVoy of Grand Rapids, association president, will preside at a closed meeting of the executive committee and officers.

A panel discussion on "Agency Expense Analysis" will open Thursday's session. Richard E. Farrer, educational director of N.A.I.A., will act as moderator. This will be followed by a talk on "Installment Payment Problems" by George W. Carter of Detroit. That afternoon Harold D. Moore, automobile department manager of Wolverine, will discuss the "New Garage Liability Policy." There will then be a complete study of "Agency Taxes" directed by Charles W. Tye, tax counsel Royal-Liverpool. The banquet will be held Thursday evening.

Agents-Only Session Planned

Friday's program will open with a breakfast conference on education. M. Robert Olp of Detroit, chairman of the education committee, will preside. Following the breakfast there will be an agents-only session at which a vote will be taken on the installment payment plan and on group pension plan. There will also be a discussion on driver education in schools, errors and omissions coverage, disability benefits law, etc. Ellis H. Carson, president of National Surety, will give an address on "The Fire Legal Liability Problem."

The convention luncheon session will feature a talk on "Disability Benefits Laws" by Thomas Y. Beams, vice-president of Eagle-Globe-Royal Indemnity. Commissioner Forbes, president of National Assn. of Insurance Commissioners, will also speak.

Offer \$250 Deductible in B. C.

British Columbia Underwriters Assn. has revised automobile insurance rates to include a rate dispensation for families in which no one under age 25 drives the car. It is also possible as of now to purchase collision cover with \$250 deductible.

1950 Chicago Insurance Telephone Guide on Sale

The 1950 edition of the Chicago Insurance Telephone Directory has been published and may be purchased for \$1 per copy from the National Underwriter Co., 175 West Jackson boulevard, Chicago 4, telephone WAbash 2-2704. The telephone numbers, names and addresses of all major insurance offices in Chicago, fire, casualty and life, are listed. Executives, field men, department heads, metropolitan supervising agents, general agents and branch office managers are listed independently.

Information is given on offices and individuals in lines allied to insurance, such as adjusters, attorneys, appraisers, inspection bureaus, auto repair shops, fire and safety equipment furnishers, etc., in an expanded service guide at the rear of the book. For the first time, automobile dealers are classified by make of car.

As in the past, the directory is divided into two sections, the one listing offices in the Insurance Exchange building, the other those offices elsewhere in the city.

Detroit Eyes Ruefully Its Sad Sack Role

Island of Red Ink in Fire Insurance Sea—Low Rates Are Blamed

DETROIT—In this day of some underwriting results in almost all directions, local agents and fire insurance company people ruefully contemplate the Sad Sack position that Detroit, Michigan has come to occupy in the fire insurance scheme of things in the past five years. There are many varied explanations of why so much red ink has been appearing in the record here, but there is no one to deny that it is a melancholy story.

Michigan has become a problem child in most companies and there is an increasing stream of head office men appearing here for a week or so to review the problem with their field men and try to hit on some corrective measures. Most drastic remedy, it is said, is applied by Travelers Fire, which has reduced its Detroit premiums from better than \$3 million to about \$300,000 in the past two or three years. That company, apparently, is committed to the counsel of despair so far as the immediate future is concerned.

Low Rates Are Blamed

All observers blame a good part of the poor experience on the low rates. It is mainly a question here of how much is to be blamed on the rate structure and how much on other factors. The finger is put especially on metal workers and more especially incombustible contents in incombustible buildings. The contents rate takes the building rate, which is the minimum. The fire coinsurance rate on the building applies to the contents, too.

A horrible recent example that cited is the fire in November at the plant of Herren-Zimmers Moulding Co. This company was making trim for 1950 Fords and the place was jammed to the rafters. The loss is estimated at \$1½ million exclusive of U. & O. The rate here was but 6½ cents—incombustible contents in incombustible building. Incidentally the U. & O. loss here consisted mainly of extra expense, since Herren-Zimmers had another plant and was also able to get an assist from another manufacturer.

Just the other day there was a loss estimated at \$135,000 to Manufacturers Plating Co.

One Favorable Factor

On Sept. 11, 1947 there was an increase of about 25% in non-sprinklered and non-fireproof risks and the companies and agents are just now commencing to get some benefit from that. This, of course, is a plus factor that may help from now on.

One well informed observer who handles much big business feels that an underlying reason for the poor experience in Michigan is that the reconviction process here has possibly been on a far more expensive basis than anywhere else. He believes that this was done under pressure and with great haste. This bred carelessness. There was a lack of instruction of labor in fire prevention, for instance. Also the fact the unions often are insisting on the right of men to smoke in the plants is an adverse factor.

Detroit got a special blow early in 1949 in the form of an extensive wind

(CONTINUED ON PAGE 24)

A Helpful Guide to the Selection of a Plate Glass Replacement Service!

WHAT HAMILTON GLASS COMPANY OFFERS YOU

- 1** One of the most modern, finest equipped glass warehouses in America.
More than 170,000 square feet of floor space to serve your every need.
- 2** Complete stock of practically every known type of industrial glass.
A diversified selection means prompt delivery service.
- 3** A separate and distinct department handling policyholders' needs.
Trained, experienced personnel assure you of efficient, friendly cooperation.
- 4** One of America's largest and finest fleet of trucks — fully equipped.
Fast service is at your command when your policyholder needs it most.
- 5** Competent, reliable employees with the largest staff of glazers in the Middle-West.
Efficiency of operation means more for your money.



WHAT HAMILTON GLASS COMPANY OFFERS YOUR POLICYHOLDERS

- 1** Fast, reliable glass replacement service — usually the same day.
Provides a minimum of inconvenience and trouble to your assureds.
- 2** Emergency crew to make temporary accommodation if it is too late in the day for a glass replacement.
Policyholders appreciate this extra cost-free service.
- 3** Tightening loose glass without charge to insurance company or assured.
Prevents needless breakage and eliminates possible liability suits.
- 4** Inspection and contracting services for placing deteriorated store-fronts in an insurable condition.
Prevents possible premium loss and builds policyholder good-will.
- 5** Competent information is provided at all times on any glass problem.
This is another engineering feature of Hamilton Glass Company.



SERVICE AT YOUR COMMAND

TELEPHONE EVerglade 4-1400

If it's Glass we have It

170,000 square feet exclusively
devoted to glass.

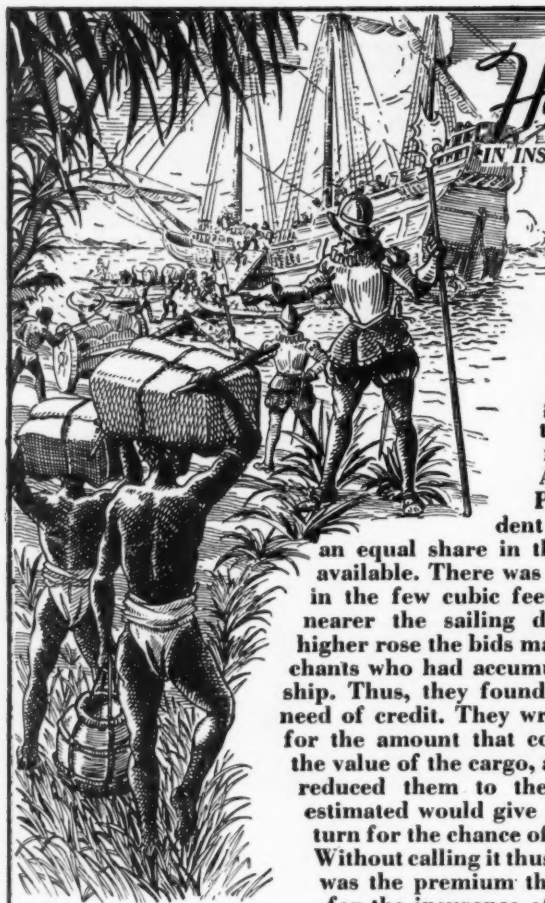


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Everything a Glass Company can do... Hamilton does better!



Highlights
IN INSURANCE HISTORY

CARGO INSURANCE ... 17TH CENTURY VERSION...
Once a year, a Spanish royal galleon was authorized to sail from Manila to Acapulco. Each Philippine resident was entitled to an equal share in the cargo space available. There was a "gold mine" in the few cubic feet allotted. The nearer the sailing date came, the higher rose the bids made by the merchants who had accumulated cargo to ship. Thus, they found themselves in need of credit. They wrote their notes for the amount that corresponded to the value of the cargo, and the lenders reduced them to the amount they estimated would give them a fair return for the chance of loss they took. Without calling it thus, such discount was the premium the shipper paid for the insurance of his shipment.

The facilities of the National Union and Birmingham Fire Insurance Companies and their reinsurance treaties are more than adequate to take care of any size risk.

NATIONAL UNION and BIRMINGHAM

FIRE INSURANCE COMPANIES

PITTSBURGH  PENNSYLVANIA

MARSH & McLENNAN

INCORPORATED

Insurance Brokers
CONSULTING ACTUARIES
AVERAGE ADJUSTERS

Chicago New York San Francisco Minneapolis Detroit Boston
Los Angeles Pittsburgh Seattle St. Louis St. Paul Duluth
Indianapolis Portland Superior Washington Cleveland Buffalo
Columbus Phoenix Vancouver Montreal Havana London

Gives Analysis of U. & O. Coverages and Application

An analysis of business interruption insurance and the uses to which the various forms may be put was given the Insurance Board of Cleveland this week by Frank L. Erion, Chicago independent adjuster. Mr. Erion's talk is a clear presentation of business interruption coverages from the standpoint of the agent and the buyer. It is presented in large measure herewith.

Business interruption insurance (hereinafter called B.I.) insures against loss of prospective earnings, i.e., earnings which were in prospect and would have been earned but for the disaster.

It does not insure all earnings, but does insure that part which accrue to insured. In order to accomplish its purpose it must pay in addition to loss of net profit, loss of those charges and expenses which necessarily continue during interruption to the extent they would have been earned had no loss occurred.

B.I. liability is limited to the time necessary to restore the property and reduction of earnings due to loss of sales directly caused by partial or full inoperation. It does not extend to cover loss of volume due to cancellations or alienation of insured's customers by competitors or other causes.

Manufacturing Loss

Manufacturer's earnings are created when the article is produced whether the article is sold immediately or at some later date, therefore production prevention measures the loss of a manufacturer provided the prevention directly causes a loss of sales either during or subsequent to the restoration period. Manifestly there can be no loss of earnings if there is no loss of sales, but insured may incur some extra expense to prevent or lessen a loss of sales and B.I. is liable for all of this expense without contribution penalty for not exceeding the amount for which it would have been liable had the extra expense not been incurred.

Liability for loss of earnings can be created in only two ways; first by damage to the described property caused by an insured peril; second by order of civil authority banning access to the premises for a period not exceeding two weeks when such order is issued as a direct result of such peril.

Nearly all losses of earnings are caused by damage to the described property but loss caused by order of civil authority is not a rarity. After a fire in Pittsburgh authorities roped off a street and prohibited access to an undamaged department store for five days. After a severe explosion in Chicago authorities denied access to several multiple occupancy buildings for a period of from one to four days while inspections were made.

Defines "Stock" Loss

The definition of "stock" in non-manufacturing forms and of "raw stock" in manufacturing forms has been amplified to include "supplies consumed in the service rendered." This amplification lessens amount of insurance required without reducing liability for loss.

The definition of "supplies" is easily understood. The definition of "service" which seems to be applicable to a manufacturer is stated in Webster as "all the auxiliary activities in the production and distribution of a product." This seems broad enough to include in "supplies consumed in the service rendered" supplies of every nature, whether they pertain directly to product, its manufacture, its distribution, or to replacement of broken or worn-out tools, machine parts, etc., because all of them are consumed in "activities in production and distribution of a product." No labor is included.

It may have been the intent to ex-

tend the definition of "raw stock" to include only material supplies, but the form does not so specify.

Owing to the prevailing practice of charging many supplies (now deductible) direct to expense the so-called "supply" account of manufacturers will not reflect the true value of supplies consumed. Accountants and bookkeepers should be urged to segregate all supplies from other expense items and charge them into an "account entitled supplies." To establish amount of supplies consumed an opening and closing inventory will be required. Such procedure will be beneficial to insured.

Describes Contribution Forms

There are two contribution forms for both non-manufacturing and manufacturing and mining risks. One is the single item gross earnings form which bases the contribution clause on entire gross earnings and pays loss of gross earnings less charges and expenses that do not necessarily continue.

The other is the two item form which bases first item contribution on net profit plus all charges and expenses, except ordinary payroll and light, heat and power; whether or not these charges and other expenses necessarily continue during a total or partial suspension. This item pays loss of net profit plus charges and expenses as must necessarily continue to the extent they would have been earned.

The second item bases contribution on insured's entire payroll expense excluding salaries described in item one for not less than 90 consecutive days, which period may be extended for additional premium. This item pays "only to the extent necessary to resume the normal business of the insured with the same quality of service which existed immediately preceding the loss."

Coverage a Simple Calculation

The wording of the contribution clause in each of the forms makes determination of the amount of insurance required a simple calculation; the only guess being the probable business increase or decrease.

It may seem that it is unfair to require insurance and premium on one basis and apparently base liability on another (lesser) basis. The stock explanation is that the rate is so calibrated, which answer is more readily understood by insurance men than it is by the insured. In reality this feature often proves beneficial to insured in both short and long business suspensions.

When suspension is short or partial, few if any expenses can be avoided and insured benefits because expenses have been considered in the contribution basis and he can collect for all of them provided insurance is sufficient.

When the suspension period is long many expenses may be avoided and thus amount of insurance available to pay unavoidable loss will extend to cover a longer period than it otherwise would. This is true because only two elements limit the time for which B.I. is liable: one is the time necessary to restore the described property; the other is the amount of insurance.

Example Is Given

For example, a risk is insured by the gross earnings form with 50% clause and amount of insurance is just 50% of annual gross earnings; being apparently only sufficient to cover total suspension for six months. The risk is destroyed and it is found that it cannot be restored in less than eight months. Suspension being total insured can avoid many expenses and quite likely have enough insurance to pay his actual loss sustained for the entire eight

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NEWS OF FIELD MEN

Prov. Wash. Makes Five Changes in Cal. Field

Providence Washington has made five changes in its California field.

Russell C. Edgerton becomes production engineer, servicing southern California. He has been manager at Los Angeles and with Providence Washington for 22 years.

Fred M. Radcliffe, who has been at San Diego, becomes southern California supervisor at Los Angeles.

Robert C. Baer, special agent at Los Angeles, becomes special agent in charge at San Diego.

Douglas A. Nutt, who has been manager at Stockton for Marine Office of America, has joined Providence Washington as marine special agent at Los Angeles.

Providence Washington has opened a field office at San Jose with William A. Willis as special agent in charge.

American Names John P. Young III in N. C. Field

American group appointed John P. Young, III, as special agent in North Carolina with headquarters at Greensboro. He will assist in the development of casualty business.

Mr. Young, a son of John P. Young, Jr., vice-president of American at the western department at Rockford, Ill., has been with American since 1946, and has had extensive experience at the home office, and at Cleveland, where he was assigned in 1948. He is a veteran of war 2.

J. E. Snyder to Norwich Union in Wis.-Ill. Field

Norwich Union has appointed John E. Snyder, Jr., as state agent for Wisconsin and northern Illinois. He attended University of Wisconsin and Ripon College. Following four years' service in the navy, he went with Wisconsin Fire Insurance Rating Bureau 2½ years ago. With Norwich Union he succeeds Frank C. Mentzer as state agent.

E. W. Charlton Is Retiring from La.-Miss. Field

Edward W. Charlton, special agent in Louisiana and Mississippi for Scottish Union, has retired under the company pension program.

Mr. Charlton is the dean of field men in his territory, and has spent his entire business career of 50 years in the business, joining Scottish Union in 1923 as special agent for Louisiana and Mississippi. He was guest of honor at a dinner at New Orleans attended by his business associates and by G. S. Tompkins, U. S. manager of Scottish Union, who acted as toastmaster.

Arthur G. Mechler, who has been associated with Mr. Charlton, will take over the Louisiana-Mississippi territory. He is a graduate of Tulane university.

W. Va. Field Club Elects

New officers of Field Club of West Virginia elected at the annual meeting held in conjunction with a gathering of West Virginia Blue Goose are: President, F. J. Vaughn, Phoenix of Hartford; vice-president, J. E. Tetlow, Jr., Fireman's Fund; secretary-treasurer, B. J. Weisgerber, North British.

R. W. Mercer, Home, was elected chairman of the executive committee, and secretary of this group is E. W. Chester, Crum & Forster. Other members are: R. B. Apperson, Hartford; F. C. Campbell, Buffalo; F. C. Carroll, National Fire; A. E. Douglass, Corroon & Reynolds; R. A. Moore, Great American, and H. E. MacShane, Aetna Fire.

Mr. MacShane is retiring as secretary after five years in that office.

C. & R. Names Vore on Coast

Howard D. Vore, Jr., has been named state agent for Corroon & Reynolds in Oregon and Washington, replacing Jack R. Holmes, resigned.

Mr. Vore was in the marine corps during the war. He has been in charge of Corroon & Reynolds' non-recording agency business at San Francisco for three years and before that was with Seeley & Co. Mr. Vore's father is vice-president of Loyalty group at San Francisco.

Atlas Names Ficken in Pa.

Atlas has appointed George W. Ficken as special agent to supervise western Pennsylvania and western Maryland. Mr. Ficken has served for a number of years as underwriter in the eastern department. His office will be in the Arrott building, Pittsburgh.

Inspect DeKalb, Ill.

Illinois Fire Prevention Assn. conducted a town inspection of DeKalb

Jan. 18 that took in every building in the city. There were 31 field men participating and the luncheon drew an overflow crowd.

A. R. Rathslag, Fire Association, and D. J. Harrigan, St. Paul F. & M., were in charge. The speeches were given by Robert K. Johnson, Aetna Fire, at the schools and at the luncheon.

Sheldon N. J. President

New Jersey Fieldmen's Assn. has elected Walter D. Sheldon of Niagara, president; Joseph A. Reed, New York Underwriters, vice-president; Edwin C. Burke, Automobile, secretary, and Calvin Baile, London & Lancashire, treasurer. Executive committeemen are C. A. Fortman, Fireman's Fund, retiring president; J. A. Le Coney, America Fore; E. W. Ill, Jr., Appleton & Cox, and R. E. Sprague, Home.

Meet Feb. 7 at Columbus

Ohio Fire Underwriters Assn. and Fire Prevention Assn. of Ohio will meet Feb. 7 at Columbus.

Alamo Field Club Elects

Alamo Field Club, San Antonio, has elected Harold C. McAllister, Jr., Phoenix of Hartford, president; H. G. Rein-

hackel, general agent, Austin, vice-president; Willard Heath, Trinity Universal, secretary. S. A. Dunn, Hartford Fire, is executive committee chairman.

Eight members of the club will be speakers at a school sponsored by Insurance Women of the Rio Grande Valley.

Alamo Pond Initiates 13

Alamo Blue Goose, San Antonio, at its midwinter swim initiated 13 candidates. The team in charge of the initiation were all past most loyal ganders except for the guards. George Henry, Royal-Liverpool, gave the charge and S. A. Dunn, Hartford Fire, reviewed the history of the Blue Goose. More than 100 attended.

Harvey Promoted in Ill.

National Fire has promoted G. R. Harvey to state agent in charge of northwestern Illinois. He has been special agent. Mr. Harvey attended Rockford College. He joined National in 1940, and in 1941 was appointed special agent at Rockford.

Missouri Fire Prevention Assn. will inspect Harrisonville Jan. 31.

How to dispense with a headache!



For some people a headache powder will do the trick. For the druggist's business headaches, the Druggist Malpractice and Products Liability insurance policy might be the answer.

Do you think the policy could solve worries like this?

"At the request of a customer, a clerk in my drug store dissolves a patent headache powder in water. The customer drinks the mixture on my premises and immediately becomes ill. Would my Druggist Malpractice and Products Liability insurance cover me in the event I

am held liable for the illness caused by the dispensing of the medicine?"

There are plenty of opportunities for a druggist to make unintentional mistakes—misreading, mismeasuring, mislabeling, misdelivery, mis-selling—with unusual repercussions. Royal-Liverpool agents and a cooperative underwriting and production staff know what a pack of troubles this policy will cure. How about you?

Answer to the quoted question is contained in the Group's current issue of "True or False." Your copy is available on request to our Advertising Department.

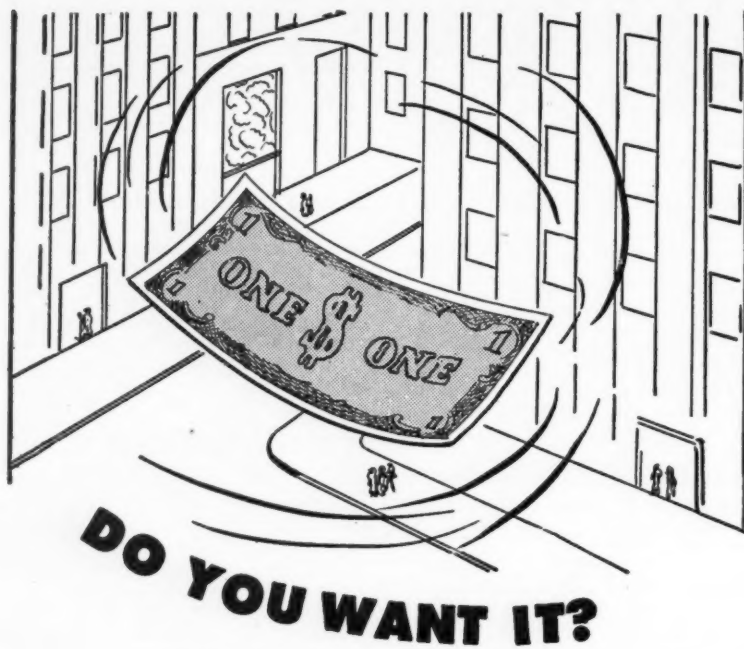
CASUALTY • FIRE • MARINE

ROYAL-LIVERPOOL Group

150 WILLIAM ST., NEW YORK 8, N. Y.

ROYAL INSURANCE COMPANY, LTD. • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • AMERICAN & FOREIGN INSURANCE CO. • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • THE NEWARK FIRE INSURANCE CO. • QUEEN INSURANCE COMPANY OF AMERICA • STAR INSURANCE COMPANY OF AMERICA • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD.

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We have 600 highly successful men who are principally engaged in general property and casualty insurance lines and are earning many hundreds of Extra Dollars through their liberal Kansas City Life Contracts.

We want 600 more of these men and would welcome your confidential inquiry.

Write to C. W. Arnold, Vice President.

Assets	More than \$200,000,000
Insurance in force	More than \$780,000,000
Territory	39 states and District of Columbia

KANSAS CITY LIFE INSURANCE
Box 139 *Company* Kansas City 10, Missouri
"Exclusively A Life Insurance Company"

No. 5000



1910 — 1950

FORTY YEARS

of factual appraisal service to
America's more conservative business institutions



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of
INDUSTRIAL and COMMERCIAL
PROPERTY

DISTRICT OFFICES IN ALL PRINCIPAL CITIES

The Lloyd-Thomas Co.

RECOGNIZED AUTHORITY ON PHYSICAL VALUES

APPRAISAL ENGINEERS

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NEWS OF THE COMPANIES

America Fore Has Brilliant Year

Assets of Continental and Fidelity-Phenix of the America Fore Group reached new highs in 1949, the Continental total passing the \$200 million mark to a figure of \$201,521,466.

The underwriting profit of Continental was \$10,381,233, or 15.7% on premiums written of \$66,131,515, an increase of \$2,488,190. The premium reserve increased \$3,559,422. The loss ratio was 43.51 on an earned-incurred basis. Percentage of total expenses incurred, not including taxes, was 35.57. This was comprised of 25.64 for commissions and 9.93 for home office and underwriting expense. Net surplus of Continental as of Dec. 31 was \$115,866,379, and investment income during the year was \$7,404,152. During the year Continental paid \$2 in regular dividends and an extra of 50 cents. Based on actual Dec. 31 market quotations, assets of the company would be \$218,672,638.

Fidelity-Phenix assets at Dec. 31 were \$168,514,350 (\$181,958,458 market quotation) and the net surplus was \$99,949,310. The company had an underwriting profit of 14.6% on premiums written of \$53,615,407, the underwriting profit being \$7,860,593. Losses were \$23,755,637 and the earned-incurred loss ratio was 45.96%. Investment income in 1949 was \$5,900,297. Unearned premiums totaled \$44,463,139. Fidelity-Phenix paid \$2 in regular dividends and an extra of 70 cents.

Commenting on the report, B. M. Culver, chairman of the companies, emphasized that the results of any year standing by itself are not a reliable barometer as to trend. He pointed out that the aggregate results of all stock fire companies showed losses on underwriting operations for the years of 1944-47. Despite unusually satisfactory results on underwriting operations in 1949, insurance rate levels taken as a whole over recent years as to the various kinds and classes of insurance written by America Fore, have not yielded on the average an excessive or unreasonable margin of underwriting profit.

Two Keystone Automobile Club Companies Merge

PHILADELPHIA—Keystone Automobile Club Casualty and Keystone Automobile Club Fire have merged under the name of the casualty company. The merger follows a passage by the Pennsylvania legislature of a multiple line law. In other states where Keystone does business, the casualty company will take steps to qualify for all lines.

President of the new company is J. Maxwell Smith; vice-presidents, W. S. Johnson, Fred S. Wood, Robert W. Beatty, Todd Daniel and Henry C. Fox, Jr.

Write \$1 Million First Year; Double Capital, Surplus

Southwestern Fire & Casualty of Dallas wrote \$1,248,894 in 1949, the first calendar year of operations.

Stockholders voted to double the capital and surplus to \$1,500,000. Capital was increased from \$250,000 to \$500,000 and surplus from \$500,000 to \$1 million. Assets on Dec. 31 were \$1,847,785.

The company, organized in 1948 by S. F. Yancey, head of the T. A. Manning & Sons general agency, extended operations into Louisiana last year.

Surplus Is Enriched

Net premiums written of St. Paul F. & M. last year aggregated \$43,265,673, which was an increase of \$842,382. Unearned premiums at \$32,093,861 were higher by \$2,793,406. Assets were \$102,748,617, the increase being \$11,856,667 and capital-surplus registered a gain of \$5,401,132 and now amount to \$51,771,919. This does not count for voluntary reserve of \$3,010,722, which was increased by \$2,255,007. Income tax incurred was \$2,502,683.

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New Georgia Insurer

Southeastern-Fidelity Fire has been licensed in Georgia with a capital of \$100,000 and net surplus of the same amount. President is C. R. Yates of Citizens Trust Co., Atlanta; executive vice-president T. M. Alexander of the Alexander & Co. local agency that represents American Equitable, Louisville F. & M., and Carolina Casualty; secretary, Charles E. Maxey, professor of production, Atlanta University, and treasurer, L. D. Milton, president, Citizens Trust Co.

Two New Directors

Benton J. Case, vice-president of Janney-Semple-Hill Co., and George C. Crosby, vice-president of St. T. McKnight Co., have been elected directors of Minneapolis Fire & Marine.

Carl G. Freese, president of Connecticut Savings Banks of New Haven, has been elected a director of Security.

Northeastern has declared a dividend of 25 cents a share payable Feb. 15 to stock of record Jan. 20.

NEW YORK

NEW YORK LOSSES UP

In December incurred losses in New York Board territory numbered 352, a decline of 4.9% over the same month of 1948, for a total of \$1,306,705, up 12.9%. For the 12 months the number of losses was 4,369 for \$16,959,931. This is an increase in number of 19% and in amount of 28.8%.

CONTINUE N. Y. PATROL

At its biennial meeting, members of the New York Fire Patrol voted to continue that service for 1950-51.

C. E. BLACK AT HELM

Loss Executives Assn. at its annual meeting elected Charles E. Black, Royal-Liverpool, president; Fred J. Collins, Fireman's Fund, vice-president; Ward Cunningham, Chubb & Son, secretary; John Shuttleton, Commercial Union, assistant secretary, a new office, and John F. Satterlee, Atlas, treasurer. Members of the executive committee are B. B. Gracey, Hartford Fire, retiring president; Stanton L. Nelson, North America, and D. E. MacLay, Great American.

Burt S. D. Commissioner: Mueller Heads Life Company

George O. Burt, 33, Watertown, S. D., has been named South Dakota insurance commissioner and fire marshal. He has been an examiner in the department. He succeeds W. A. Mueller, who resigned to become president of Rushmore Mutual Life of Rapid City.

Mr. Mueller had been chief examiner of the department for four years prior to his appointment as commissioner in 1944. He served for 16 years as a local agent for fire and life companies while cashier of Farmers State Bank at Turton, S. D.

The new commissioner is the son of the late George K. Burt, who was serving as commissioner at the time of his death in 1944. He has lived at Watertown since 1917.

Mr. Burt attended University of South Dakota one year and was graduated from State College, majoring in economics. He served 4½ years in the army, 21 months in the South Pacific.

Important Decision on Monthly Reporting Form

In John E. Peters, receiver, vs. Great American, the 4th U. S. appeals court has upheld the validity and literal effectiveness of the reporting requirements of monthly reporting fire policies and has declared them to be generally invulnerable to the claim that they are waived by alleged statements of insurer's local agent. In addition, the decision upholds the method of determining application of the full reporting clause.

Insured, a manufacturer in Johnstown, S. C., suffered a \$76,161 fire on July 23, 1947. The last report of values filed prior to the fire was as of April 30, 1947, wherein the total actual value was stated to be \$41,000 and the amount of underlying specific insurance \$12,500. After the fire, investigation developed that true value as of April 30 was \$82,672. The specific insurance was no longer in effect.

Contend Instructions Incomplete

In accordance with the full reporting clause, the company computed its liability by dividing \$41,000 minus the specific insurance, by \$82,672 minus the specific insurance, and multiplying it by \$77,961. This gave a figure of \$31,663, which insurer conceded it was liable for to insured. Insured rejected the offer and sued in state court for \$75,000. Insurer removed the case to the U. S. district court and paid insured, to stop the running of interest \$31,663. Balance of insured's claim was \$43,336.

Insured contended that the company was estopped from applying the formula of the full reporting clause because its official in charge of making reports claimed the local agent had instructed him to report his value each month by deducting from inventory the amount of sales during the current month. It was claimed the agent failed to advise that additions by reason of purchases should be added to inventory. Consequently, insured argued, a waiver resulted which deprived insurer of the protection of the clause and required full payment.

The lower court refused to submit the case to jury and rendered judgment in favor of insurer.

Terms of Form Govern

The appeal court said it was difficult to conclude that insured was induced by the agent's conduct deliberately to understate the value of stock and thus reduce the amount of insurance. The agent had no means of knowing the value of the merchandise on hand and no motive to reduce insurance or the premium on which his own commissions depended. Insured's witness refused to say the agent specifically instructed the company to take no account of the month's purchases in estimating the end of the month's inventory. All that was said was that the reports were filed in accordance with the agent's instructions, but when this statement is coupled with the admitted failure of the official of insured to follow the plain instructions on the form and his admission he knew the report was wrongfully computed, no inference of waiver can be reasonably inferred.

It is the belief of observers that this is the first time a court has flatly stated that the terms of the form govern. The high court held that the doctrine of waiver is not applicable to the provisions of reporting form involved. Many decisions of the South Carolina supreme court declare that policy provisions may be waived through the behavior of an agent of insurer in treating the policy as in effect after he has received information of acts which but for his conduct would have voided the contract. All these cases, however, involve defense of forfeiture which was held to have been waived by some act on behalf of the company which led insured to believe the policy was still in force. The doctrine of waiver, however, does

not pertain to matters of coverage so as to extend the scope of the contract beyond its express terms through the acts of an agent not authorized or approved by the company.

In this case, the court said, the question is one of coverage. Under no reasonable interpretation of this kind of policy can it be said that if insured failed to correctly state the value of merchandise on hand insurer is free to avoid the policy. The previous decisions of Wallace vs. World Fire & Marine and Aetna vs. Rhodes and Home vs. High-tower have no bearing on the present controversy, in which the company does not claim a forfeiture but seeks merely to apply the provisions of the contract.

The court takes occasion to characterize the policy favorably, which the companies regard as significant. A policy such as this, where the amount of insurance and of premium are in direct proportion to the value of goods on hand "is obviously more favorable to the insured than a policy for a specified amount where the premium is calculated

on the amount of insurance named in the policy although the amount of the risk may be materially less from time to time during the life of the contract," the court said.

The court points out that within the maximum set by the policy, the amount of insurance, the premium and the extent of insurer's liability are controlled by the policyholder. The policy provides insured shall report monthly the actual value of property covered and the actual amount of the specific insurance thereon. Yet if he fails to do so the policy is not void but the amount of insurance and of the premium are adjusted to the amounts he has chosen to report. Hence he may reduce the premium and the liability of the company and carry a portion of the risk himself if he sees fit to do so.

Reformation of Reports Refused

Insured contended further that if the doctrine of waiver and estoppel were inapplicable it had the right to judicial reformation of its reports based on the contention there had been a mistake in their preparation. The lower court held unequivocally it is immaterial whether insured's reports are erroneous by design or inadvertence and no reformation would be granted. The high court said insured is not asking to reform a con-

tract entered into by fraud or mistake but seeks permission to reform its acts for its own benefit and to the detriment of insurer after a loss has occurred and the rights of the parties have become fixed under the terms of the contract.

Because the agent knew of the expiration of insured's specific primary policies of \$12,500, insured contended the specific insurance should not be taken into account at all and eliminated from the numerator and denominator of the penalty fraction. This would have produced a loss figure of \$38,663. The lower court upheld this contention since agent knew of the expiration date of the specific policy. This represented \$7,000 more than company's conceded liability. The company cross appealed and the appeals court upheld the company.

The appeal court said that condition 10 of the policy plainly states that liability shall not exceed that portion of the loss which the last report of value, less amount of specific insurance at last reporting, bears to the actual value less amount of specific insurance in effect at the time of the report. The amounts disclosed in the last report, compared with the actual facts, as to both stock value and specific insurance, control the company's liability and premiums pay-

(CONTINUED ON PAGE 9)

Is the Insurance Agent really "a Good Man to Know"?



PEOPLE KNOW THE INSURANCE AGENT!

But do People Know Why
the Insurance Agent
is a Good Man to Know?

Of course, the insurance agent is "a good man to know"! But—do people *know* you're a good man to know?

The answer is "Sure—everybody knows me. I see to it that they do!" . . . But maybe they know you primarily as a good individual, as a good citizen, as a civic leader, as president of your service club, as a valuable man who would do well at anything.

Shouldn't they know you as the local insurance agent? The indispensable representative of

safety and protection, the man whose knowledge and foresight is essential to the well-being of your community? The man who represents the honored and time-tried system of protecting people from disaster which we call "security, American-style"?

People may know the agent very well as an individual but they need to know more about him as an insurance agent!

They need to be told what the agent does to make him "a good man to know".



Ohio Farmers
Insurance Company

Chartered 1848 . . . Le Roy, Ohio

OHIO FARMERS INDEMNITY COMPANY



THE INSURANCE AGENT IS A GOOD MAN TO KNOW

Large Life Loss Fires of 1949 Listed

Despite steady improvement in the nation's fire defenses, the United States suffered a series of serious fires in 1949, with heavy loss of life, the National Board reported.

The largest toll of lives was taken on Sept. 17 when the steamship Noronic burned at its dock in Toronto. Nearly all the 118 dead were Americans. The hospital fire in Effingham, Ill., on April

5, which resulted in 75 deaths, was second worst in lives lost. There were 32 other major blazes, most of them preventable, which caused exceptionally heavy destruction and many deaths. In all, more than 10,000 persons were killed by fire during 1949.

"Carelessness was a factor in most of the fires during 1949," W. E. Mallalieu, general manager of the National Board, declared. "Neglect of fire protection, poor housekeeping, and lack of employee training in fire safety were the chief factors in making big fires out of otherwise small ones."

A death toll of 19 was reported fol-

lowing an explosion in a meat-packing plant in Sioux City, Ia., Dec. 15. The local fire chief said the disaster was probably caused by leaking natural gas.

On Aug. 8, fifteen young "smoke jumpers" parachuted from airplanes to help fight a forest fire in Helena, Mont. The wind switched suddenly, and the youths were trapped by the flames. Only three escaped.

A fire in a 122-year old residence hall at Kenyon College, at Gambier, O., took the lives of nine college students on Feb. 27. Seven persons died in a hotel fire in Aberdeen, Wash., on July 3, and six church-goers were killed when a Marion, S. D., church was shaken by an explosion on April 10.

During the Christmas weekend 63 persons died in fires, many of which were caused by flammable decorations and by defective wiring on Christmas trees. One of these tragic Christmas fires struck the town of Hyndman, Pa., on Christmas night, and leveled the town's business section. The blaze, said to have started in a Christmas tree, took one life and left 62 persons homeless.

Am. Fore Counsel Runs into Snags in N. Y. Case

NEW YORK—Counsel for America Fore and others in their appeal from the New York department approval of a credit debit plan of rating multiple location risks ran into a series of sustained objections this week. Carl Newton, counsel for the appellants, was questioning Eugene Yerger of Driscoll, Millet & Cox of Philadelphia, the accountants named by the department to study expenses on multiple location business at America Fore.

Mr. Newton wanted to know how long the Driscoll, Millet studies would take, so as to determine whether the hearing before Deputy Superintendent Bohlinger should be held open. He later withdrew a motion to have the hearing held open because the Driscoll, Millet study is going to take so long. He asked if the study would be extended to branch offices of America Fore. He said America Fore spent \$1½ million in 1948 on assessments and fees to rating and other service organizations and he sought to learn how the department-appointed accountants were apportioning this between general cover and other departments. He asked how association dues and time of executives and other personnel spent on conventions and committee work were apportioned.

Objections by deputy McCullough who is counsel for the department at the hearing were almost all sustained. McCullough objected to all questions that sought to probe the method of examination being used by the accountants.

Forristall Assumes Higher Post With Factory Assn.

C. D. Forristall, who has been office and personnel manager of the eastern regional office for Factory Association, will assume these duties on a nationwide basis.

Mr. Forristall joined F. I. A. in 1926, after graduating from Worcester Polytechnic Institute. He was an inspector and later transferred to Hartford as an underwriting supervisor, where he advanced to assistant superintendent of the underwriting department. In 1946 he was promoted to office and personnel manager of the eastern regional office.

L. W. King is now in charge of the fire business for the St. Paul F. & M. companies and at the same time was elevated in rank from secretary to vice-president.



Minimize Details Required of Buyer, Gallagher Urges

Producers and insurers should minimize the complex details they require a buyer to furnish and spare him his firm the time-consuming task of answering unnecessary questions, Russell B. Gallagher, insurance manager of Philco Corp., told Insurance Brokers Assn. of Massachusetts in Boston. The accumulation of ownership information for rating comprehensive liability, for example, is a formidable job.

The coverage should be included in the basic policy except under extraordinary circumstances, he said. "We have trouble enough answering the inquiries of federal authorities without adding to them those of the insurance bureaucracy," he declared.

Must Educate Colleagues

The corporate insurance manager has many tasks, one of them being to educate his colleagues on the need for keeping him informed of their doings so that he can see that the insurance is adequate. Brokers and agents must help him perform his job.

He elaborated on the problems involving corporate leases and contractual liability exposures. "If insurance carriers would use the statistics in their files they would find that their net income is unchanged by the inclusion or exclusion of losses in that category," he said. Deeds, leases, easements, sidetrack and service agreements must be withdrawn from real estate, plant engineer, traffic legal, accounting and secretary's files. Have you the slightest thought that this will be done?" he asked.

Buyer Compared to Bird dog

He compared the buyer to a bird dog who finds the exposure and waits for the insurance man to bring it down. He reiterated that buyers call for elastic and broader forms, stating that exposures change overnight in fast moving businesses and that the insurance has to keep abreast of them. No firm doing a business of more than \$1 million a year can be covered by standard policies, he asserted. The broker must dig into his client's operations and help disclose exposures. He should make definite recommendations on limits based on data on suits and verdicts in all territories in which the company operates.

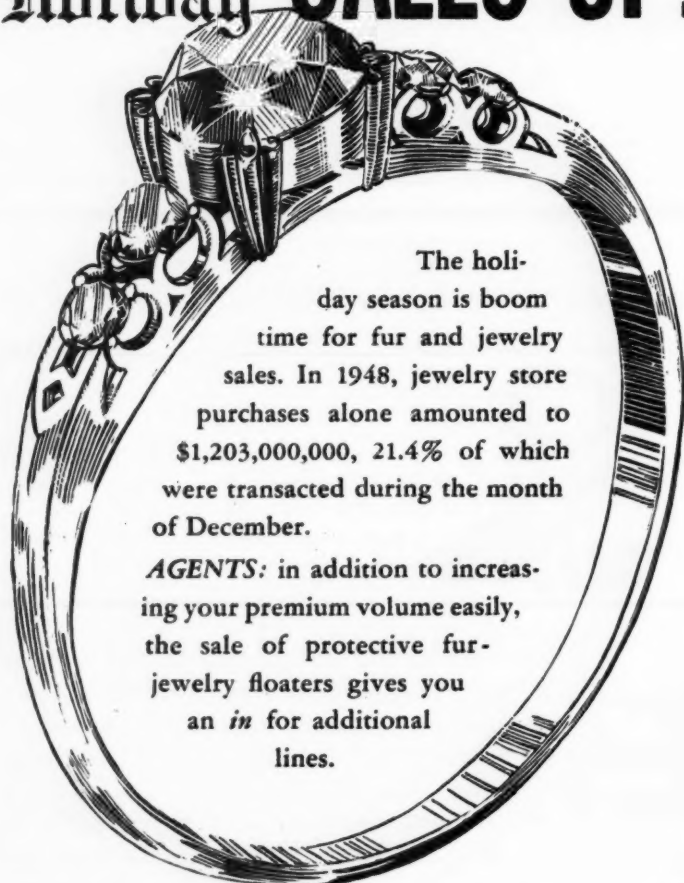
The way for a broker to be regarded as alert is to ask the buyer about his unusual exposures—an aviation exposure, for example. He cited one buyer who measured the knowledge and experience of the broker on whether or not he asked about it. He suggested the need for personal rather than bodily injury coverage to include such things as liability for false arrest, libel, slander, malicious prosecution, etc., and said property damage should be extended to include damage to property rights.

Paper Has Insurance Section

A "Report on Health and Insurance" was featured in a special 16-page supplement to the Jan. 22 issue of the Wichita "Beacon." Special articles deal with fire, life, A. & H., hospitalization and casualty insurance. There was a special article on Wichita Assn. of Insurance Agents with pictures of the officers. E. L. Mack, president of Kansas A. & H. Underwriters Assn., had a byline on a half-column article on A. & H. There were articles on National Board Underwriters Laboratories, the nationwide hospital inspection program recently launched, N.F.P.A. and other service organizations.

Institute of Life Insurance was given a good spread which included a large picture of Holgar J. Johnson, president

Holiday SALES UP!



The holiday season is boom time for fur and jewelry sales. In 1948, jewelry store purchases alone amounted to \$1,203,000,000, 21.4% of which were transacted during the month of December.

AGENTS: in addition to increasing your premium volume easily, the sale of protective fur-jewelry floaters gives you an *in* for additional lines.

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States Recognize Recovery Limits of Other States

NEW YORK—Lawyers representing plaintiffs persist in making demands and often bring suit for amounts in excess of state wrongful death recovery limitations, though the law is well established that states recognize the limit of a sister state even where the state in which suit is brought does not limit such recovery, George W. Orr, director of claims of U. S. Aviation Underwriters, brings out in a discussion of one such case. This was Pauline M. Maynard, etc vs. Eastern Airlines in which the U. S. court of appeals limited recovery to \$20,000 and denied interest.

Aviation claims have made the subject a matter of general interest, Mr. Orr points out. Automobiles and to a lesser extent railways are preponderantly local in character. Most passengers are citizens of the state in which accidents occur and the conflict in law has not been marked. But airline passengers generally go a long distance, usually crossing borders of many states in their journey. Mr. Orr has handled accidents in which about 50 airline passengers were killed and not a single passenger was a resident of the state in which the accident occurred.

Situation as It Obtains in U. S.

As a result, negotiations are handled and where necessary suit is brought in a wide variety of jurisdictions, considering only the United States and excluding international claims which present a different legal situation.

Some lawyers are hard to convince the limitation applies and unnecessarily waste a good deal of time and money for both parties, Mr. Orr states. This

may be because airline passage involves a contract of carriage, or perhaps because the constitutions of a number of states—Arizona, Arkansas, Kentucky, New York, Ohio, Oklahoma, Pennsylvania, Utah and Wyoming—prohibit limiting recovery in case of wrongful death.

The fact is, however, states do universally recognize the limitation of other states. The principal reason is that there is no right of action for wrongful death under common law and therefore persons must look to the death statute of the state of accident for the right of action. The limitation being a part of the substantive law giving the right of action must be observed by the forum regardless of local law on the subject.

In the Maynard case, Paul Maynard purchased a ticket at New York for passage to Boston. The aircraft crashed near Cheshire, Conn., and Maynard died of his injuries. His widow sued for \$250,000. Connecticut has a \$20,000 limit on wrongful death, and a jury awarded Mrs. Maynard that sum. A motion to add interest from date of death to date of judgment was denied. The upper court affirmed the decision. The court held the law of the state of accident controlled even to the extent of denying interest since the Connecticut law limiting recovery to \$20,000 does not provide for interest. New York of course does not limit recovery.

L. P. Smith Assn. President

Laurence P. Smith has been reelected president of New London (Conn.) and Suburban Assn. of Insurance Agents.

Other officers, all reelected, are George B. Heller, vice-president; Arthur V. Shurts, secretary.

Thomas S. McGinley, chairman of the city insurance committee, told the agents of progress with the city's insurance. Solon B. Silverstein, insurance school chairman, said the school on compensa-

tion insurance has been completed and that a six-week course on liability insurance has started.

Important Decision on Monthly Reporting Form

(CONTINUED FROM PAGE 7)

able by insured. Changes in these factors which subsequently occur have no bearing on the problem. One factor is as important as the other and each is beyond the control of insurer. A computation of loss which eliminates one of the factors that compose the report does violence to the terms of the contract.

Great American was represented through its general cover department by Rein, Mound & Cotton of New York, with Joseph L. Nettles, of Columbia, S. C. of counsel. Insured was represented by John E. Edens and Robinson & Robinson, Columbia.

Boost Battle Creek Cover

BATTLE CREEK, MICH.—The Battle Creek board of education has approved an increase in coverage on school buildings aggregating \$2,172,150 at an additional initial premium cost of nearly \$7,000. The additional annual cost thereafter, it was said, will be less than \$2,500.

Total insurance on all buildings is now \$7,362,150. The coverage had not been increased to conform with the sharp rise in property valuations and construction costs.

Three Swett & Crawford Changes

Howard Herrington, who has been head of the compensation department for American Automobile at Los Angeles, has joined Swett & Crawford as compensation underwriting manager at Los Angeles.

Other changes are the promotion of

John T. Logan, chief underwriter, to assistant manager of the southern California marine department, and William L. Marsh, underwriter of the marine department, to special agent in southern California.

No. Mich. Groups Reelect

At the annual meeting and dinner at Bessemer, Mich., of Gogebic County Assn. of Insurance Agents, these officers were elected: President, Margaret Weymerskirch, Bessemer; vice-president, Thomas Reid; secretary, R. J. Sage; treasurer, W. J. Helli, all of Ironwood.

Ironwood Assn. of Agents also reelected its officers: President, Thomas Lilliquist; vice-president, W. J. Helli; secretary, Mrs. Margaret Holmberg; treasurer, H. J. Lilliquist.

Home Names Betz at Boston

Charles H. Betz has been appointed special agent for Home at Boston. He has been with Home since 1940, starting in the improved risk department and transferring to the eastern department as examiner in 1946.

Minn. Pond Hears Harris

Commissioner Harris addressed the Minnesota Blue Goose at Minneapolis on "Rate Filings." On Jan. 28, Blue Goose members and their wives will hold their annual dinner dance.

Birmingham Okla. President

Oklahoma Fire Prevention Assn. has elected Noble Birmingham, London Assurance, president to succeed Don Tanner, who has been transferred to St. Louis. B. E. Parry, who succeeds him with Boston, was made vice-president.

V. R. Williams was honored for 50 years representation of Fidelity & Casualty at Winchester, Tenn.

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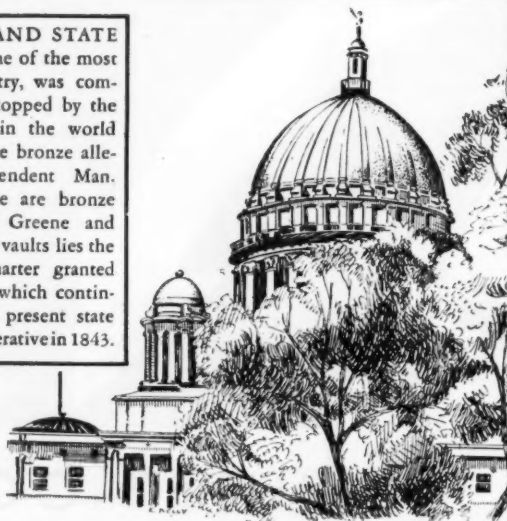
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THE RHODE ISLAND STATE HOUSE, considered one of the most beautiful in the country, was completed in 1901. It is topped by the second largest dome in the world and surmounted by the bronze allegorical figure, Independent Man. Guarding the entrance are bronze statues of Nathaniel Greene and Oliver Perry; within its vaults lies the original parchment charter granted by Charles II in 1663 which continued in force until the present state constitution became operative in 1843.



Chartered by an act of the Rhode Island General Assembly in 1848, the Pawtucket Mutual has compiled an outstanding record of continuous dividend payments and prompt loss settlements.



INCORPORATED 1848

PAWTUCKET MUTUAL
FIRE INSURANCE COMPANY
26 MAPLE STREET, PAWTUCKET, RHODE ISLAND

Rename Pettigrew as Underwriters Adjusting Head

T. A. Pettigrew has been reelected as president of Underwriters Adjusting Co. and H. L. Pettigrew, secretary-treasurer, has been renamed to that post. Herbert A. Clark, vice-president of Firemen's, and Earl Gibbs, vice-president and western manager of Boston, have been named vice-presidents. Returned to office as assistant secretary-treasurers are K. C. White and F. S. King.

At the annual shareholders' meeting preceding election of officers, Gilbert L. Scott, secretary of Pennsylvania Fire, was named a director to succeed Peter J. Berry, president of Security of New Haven, who wished to retire from the board. Directors reelected were W. A. Seely, western manager of Crum & Forster; Charles D. James, president of Northwestern National, and Mr. Clark.

Duke Heads Sprinkler Men

At the annual meeting of National Automatic Sprinkler & Fire Control Assn. at New York, T. Seddon Duke of Star Sprinkler Corp., Philadelphia, was elected president; James D. Fleming, Grinnell Co., Providence, first vice-president; John J. Power, Jr., Automatic Sprinkler Corp., Youngstown, second vice-president; Miss Anna D. Bosch, secretary. Executive director is H. E. Hilton.

Mr. Duke announced that the association contemplates a definite program to assist insurance companies in reducing the fire loss.

Elliott Joins Mayflower

Burgess Elliott has joined Mayflower of Columbus as state agent in southern Ohio and West Virginia. Mr. Elliott was with Western Adjustment in Ohio for four years and more recently has been field man in Missouri for New York Underwriters.

Convention Dates

Feb. 13-15, H. & A. Underwriters Conference, midyear, Drake Hotel, Chicago.

Feb. 14-15, Zone 5 of N.A.I.C., Fontenelle Hotel, Omaha.

Feb. 22-24, Michigan agents, midyear, Book-Cadillac Hotel, Detroit.

Feb. 22-24, International Assn. of Insurance Counsel, mid-winter meeting, Palm Beach Biltmore, Palm Beach, Fla.

March 6, Pittsburgh Insurance Day, William Penn Hotel.

March 12-14, National Assn. of Insurance Agents Eastern Territorial Conference, Copley Plaza Hotel, Boston.

March 16-17, Minnesota Agents, midyear, St. Paul Hotel, St. Paul.

March 16-18, National Assn. of Insurance Agents, Southern Territorial Conference, Buena Vista Hotel, Biloxi, Miss.

March 20-21, National Assn. of Surety Bond Producers, Waldorf-Astoria, New York.

March 24-25, National Assn. of Insurance Agents, Rocky Mountain Territorial Conference, Broadmoor Hotel, Colorado Springs.

March 27-30, Midwest territorial conference of N.A.I.A. and meeting of N.A.I.A. National State Directors, Statler Hotel, St. Louis.

April 17, Rhode Island agents, midyear, Sheraton-Biltmore Hotel, Providence.

April 17-18, National Assn. of Insurance Agents, Far West Agents Conference, St. Francis Hotel, San Francisco.

April 21, New Jersey agents, midyear, Hildebrecht Hotel, Trenton.

April 25-26, Western Underwriters Assn., White Sulphur Springs, W. Va.

April 27-29, Louisiana agents, annual, Alexandria.

May 4-6, North Carolina agents, annual, Carolina Hotel, Pinehurst.

May 8-9, New York agents, annual, Hotel Syracuse, Syracuse.

May 11-13, Insurance Accounting & Statistical Assn., annual, Hotel Statler, Boston.

May 11-13, Texas agents, annual, Fort Worth.

Aug. 8-10, Grand Nest of Blue Goose, French Lick Springs, Ind.

F.I.A. Names Three in Boston, N. Y. Changes

Factory Insurance Association has made three changes at New York and Boston.

Clarence S. Linde, field manager at Boston, has been transferred to New York City as field manager in charge. John L. Perry, special agent at Boston, has been promoted to field manager in charge at Boston, and James E. Troutman, special agent at Philadelphia, has been transferred to Boston.

Mr. Linde joined F.I.A. in 1921 as a traveling inspector. He has served at Fall River, Mass., Providence, and Buffalo as special agent. He became field manager at Boston in 1943. At New York Mr. Linde will replace C. R. Redfield, who has been named assistant manager of the eastern regional office.

Mr. Perry started with F.I.A. in 1940. He was located at Binghamton, N. Y., and Hartford as a supervisor in the inspection department. In 1946 he went to Boston as special agent.

Mr. Troutman joined F.I.A. in 1940. After military service he was located at Philadelphia, and was appointed special agent in 1949.

Multiple Line Order in Ark.

LITTLE ROCK — Commissioner Graves has issued an order effective Feb. 1, stating that the department will consider applications and grant multiple line underwriting authority to companies which, in the opinion of the department, have adequate financial structure and which make the necessary statutory filings required for writing each class of business separately.

The order is issued because the statutes of Arkansas are not specific on the question of multiple line underwriting authority.

Accompanying the order, Commissioner Graves sent out a bulletin outlining the filing requirements for multiple line authority.

Reelect at Lockport

Kneeland J. Townsend has been reelected president of Lockport (N.Y.) Board of Fire & Casualty Underwriters. Herbert S. Brewer was reelected vice-president and Miss Rosemary McParlin, secretary.

Insurance interests in Los Angeles are taking an active part in the March of Dimes, and a committee has been named to participate in the campaign. It consists of Ira Brander of Brander & Co., brokers, chairman; Charles L. J. Fes, general agent for John Hancock; Harry J. Volk, vice-president Prudential; Jack Weister, of Johnson & Higgins, brokers, and Bert Lynch, Cosgrove & Co., agents and brokers.

Robert W. Troxell was feted on his 50th anniversary as a local agent at Springfield, Ill. He was guest of honor at a dinner given by more than 50 company men at Illini Country Club. The agency that is now known as R. W. Troxell & Co. was founded by Mr. Troxell's father.

Presiding at the dinner was W. H. Hansmann of Chicago, vice-president of Fidelity & Deposit. A handsome television set was presented to Mr. Troxell on behalf of the group by C. W. Ohlsen of Chicago, western manager of Sun.

In addition to the company men from the middlewest, the group included three executives from the east—Oscar Gleiser, Commercial Union; David LaRocque of London Guarantee and E. F. Foster of Fidelity & Deposit.



Robert W. Troxell

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WEYFORTH SPEAKS TO BUYERS

Developments in the field of multiple line underwriting were outlined to members of Mid-West Buyers Assn. at their regular monthly meeting by Stuart Weyforth, Jr., of James S. Kemper & Co.

In the past, changes in coverages, practices and underwriting largely have been due to the demands of insurance buyers, Mr. Weyforth stated. He said that multiple line advances are following this same pattern and called upon the buyers to exert their influence to ensure that these advances continue in the proper direction. Mr. Weyforth predicted that under multiple line underwriting if there is a demand for participation in unabsorbed premiums the cost will be reduced greatly since risks will be able to stand on their individual experience.

Gordon F. Purtell, association president, appointed a committee to select a list of candidates for appointment as directors. Leo Faetz, Quaker Oats, is chairman. Officers will be elected at the February meeting.

STORER JOINS ROCKWOOD CO.

E. W. Storer has been appointed chief engineer of the Rockwood Co. agency of Chicago and will develop a complete agency engineering department. Mr. Storer started inspection work with Western Sprinklered Risk, now absorbed by F.I.A., and Underwriters Service Assn., then went with Pearl as manager of the engineering department and later became Cook county representative for Underwriters Service Assn. Recently he has been with Associated Factory Mutuals.

JAMES VETERANS MARK RECORD

Francis R. Blossom, vice-president and treasurer of Fred S. James & Co., and Wendell H. Stevens, vice-president and secretary, are this week celebrating their 30th anniversary with the firm. Mr. Blossom became an officer and director in 1922, and Mr. Stevens in 1932.

Ira N. Holt, the employee with the longest service record with Fred S. James, will this year complete his 58th year with the firm.

Martin A. Johnson, a broker officing with the agency, completed 50 years of association on Jan. 1.

SACHS IS PRESIDENT

Carl H. Sachs has been elected president of the Honor Service Club of the western department of National Fire. Charles Warrell is vice-president and Helen A. DuBois, secretary.

HOFFMAN ELEVATED

Floyd C. Hoffman, vice-president of Uniform Printing & Supply Division of Courier-Citizen Co., now assumes the position of western manager in charge of all Chicago plant operations and sales in the middlewest, southwest and Pacific territories.

He is well known in fire insurance circles, having been with the Uniform organization for over 30 years.

Donald Rein, vice-president, is leaving Uniform about Feb. 1 to become president of Rumford Press at Concord, N. H.

I.A.A. AGENTS PARLEY

The Illinois Agricultural Assn. insurance companies are holding their annual agents convention at the Edgewater Beach hotel, Chicago, Feb. 6-7. The banquet speakers Feb. 6 will include Insurance Director Hershey of Illinois and Charles Shuman, president of Illinois Agricultural Assn. David Micher, head of Southern Farm Bureau Life of Jackson, Miss., will be on the program as he is a former agency executive of the Illinois group. Other speakers include Nathan Howard Gist, professional philosopher and A. R. Jaqua of Southern Methodist university.

General Makes Cincinnati Change

CINCINNATI—J. E. Smallwood has become manager of the service office of General of Seattle and General Casualty here, succeeding John Malloy, who is being transferred to Indianapolis. The office is located in the Schmidt building.

Mr. Smallwood has been in the claims department of Maryland Casualty here for about two years and before that with General Accident. He graduated from Chase College of Law this week.

Gibb Joins Valley Forge

David F. Gibb has joined Valley Forge Mutual Fire of Philadelphia as agency superintendent, supervising underwriting at the home office and working with the agency plant throughout Pennsylvania.

Mr. Gibb formerly was superintendent of agencies of Rhode Island for the Middle Department, also supervising the Philadelphia service office. Before that he had been in the field for Pacific National and was for 12 years with Importers & Exporters as home office general agent, supervising 14 eastern states.

Kansas Mutual Agents Elect

New officers of Kansas Assn. of Mutual Insurance Agents are Royal W. Anderson, Kansas City, president; Lester Butler, Dodge City, vice-president; Delbert C. Richardson, Lawrence, secretary. The organization will hold a joint session with Kansas 1752 Club Feb. 23-24 at Topeka. The 1752 Club is planning a series of clinics over the state for mutual agents.

Approve Menomoneie Plan

MENOMONIE, WIS.—Following a survey of insurance coverage and an appraisal of city properties by an outside expert, the city council has approved purchasing \$275,000 of coverage with 80% coinsurance clause on a five-year basis, and placing the business through local agents on a pro-rata basis. One-fifth of the total will be renewed each year.

Mankato Session Planned

The Gopher 1752 Club is holding a meeting for local agents at Mankato, Minn., Feb. 16, the speakers being B. L. Hencke, Iowa Mutual Liability, on agency office procedures; Niel Wells, Farmers Home Mutual Fire, on builders' risk forms; J. George Hauglin, Employers Mutual Casualty, on garage liability policy; L. J. Ulrich, Farm Owners Mutual Fire, on farm fire insurance; J. C. Jordan, Minnesota Farmers Mutual Casualty, on farm liability.

NEWS BRIEFS

Illinois public relations committee will conduct a school Jan. 30-31 of speech instruction for 20 field men. Harry K. Rogers, Western Actuarial Bureau, is in charge.

The Reitan-Lerdahl general agency of Madison, Wis., observed its 25th anniversary with a dinner for 70 persons including agency members, their wives, and guests. Oscar Christianson, counsel, was toastmaster, and Harold B. Shier, president, welcomed the guests. Frank Madden, state manager of National Surety, presented each agency member's wife with silverware.

T. A. Hiebert, Wichita local agent, has been named outer guard of Midian temple of the Shrine at Wichita.

Arthur H. Brasted, Wichita agent, has been reelected president of Mid-Kansas Federal Savings & Loan Assn.

The Frederick Raub & Co. agency of Cincinnati is moving from downtown to a suburban location at 2810 Burnet avenue Jan. 30. This is the third move the agency has made in the 80 years since it was founded by the grandfather of the present senior partner, Frederick Raub.

Boston Appoints Meyers Ass't Manager in West

DeWitt A. Meyers has been appointed assistant manager of the western department of Boston. Since joining the company, Mr. Meyers has been a map clerk, improved risk examiner, risk inspector, rate inspector and rate engineer. He also served in the field, traveling the eastern Pennsylvania and Maryland-D. C. territories.

The past presidents of San Antonio Insurance Exchange, as a token of appreciation of the more than 36 years

work of Secretary F. F. Ludolph, presented him a radio-phonograph combination. He also received a number of letters from friends over the state.

Appoints Two Ass't V.P.s

Liberty Mutual Fire has promoted Philip F. Foss of Needham, Mass., and H. Gordon Rohrer of Newton, Mass., to assistant vice-presidents.

Mathews Hastings Head

V. S. Mathews, formerly manager at Joplin, Mo., for Underwriters Adjusting, has become manager at Hastings, Neb.



An Offer to General Line Men

■ Would you like a sample copy of any or all of these unique life insurance Salesbuilder Kits, including our most recent addition, the colorful new Juvenile Insurance Kit?

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Strengthening Employee Fund OK on Tax Angle

WASHINGTON—The Tax Court has ruled that Weil Clothing Co., St. Louis, may deduct its contribution of \$12,000 to that company's employees aid association, in addition to its regular contribution for 1943. The \$12,000 was held deductible as an ordinary and necessary business expense paid that year.

The internal revenue commissioner had determined a deficiency of \$10,691 in excess profits tax for 1943 and disallowed the \$12,000 deduction. The employees association provided sick and disability benefits, medical aid, burial expenses, group life, A. & H., etc.

The Weil directors authorized the additional contribution. The commissioner said it would be treated as a capital investment, as its benefits to employees are not confined to the taxable year and may apply to employees subsequently hired. It was shown that Weil employees feared their association's reserve was not large enough to meet obligations and that the employer said it would be a good business move to make the extra contribution in order to put the reserve on a sounder basis, although it was indicated the fund would not be as large as it should according to actuarial statistics.

DeWindt Named in Ohio

J. Edward DeWindt has been appointed special agent in Ohio for United National Indemnity.

Mr. DeWindt is a graduate of Principia College. He served with the coast guard in war 2. His headquarters will be at Columbus.

O'Shea to Rating Bureau

Justin O'Shea, who has been an investigator for the Ohio department at Cleveland, has been transferred to the rating bureau at Columbus.

To Conduct A. & H. Course

Insurance Board of St. Louis will conduct the standard A. & H. course of N.A.I.A. with George F. Stevens, Travers, in charge.

Set Midyear, Annual Dates

The midyear meeting of Connecticut Assn. of Insurance Agents will be held June 5 at the Tamarack country club in Greenwich. The annual meeting is scheduled for Nov. 15-16 at the Hotel Bond in Hartford.

Organize at Grants Pass

GRANTS PASS, ORE.—A new agents group affiliated with Oregon Assn. of Insurance Agents has been formed. Kenneth S. Martin is president; Sam Fox, vice-president, and D. W. Gillespie, secretary.

NEWS BRIEFS

David T. Broderick, president of Dearborn National and Dearborn National Casualty of Detroit, motored to Florida over the weekend. He owns a building at Lakeland and that is his first stop. He also has a home at Miami Beach.

Percy Chubb, II, of Chubb & Son has been named chairman of the contributors committee of Community Service Society, New York, largest voluntary non-sectarian family and health agency in the U. S.

General Brokers Assn. of the Metropolitan District of New York has named **Frederic E. Hammer**, former state senator and a member of the joint legislative committee on insurance rates and regulation, as counsel. The association had its officers installed by Thomas C. Morrill, deputy insurance superintendent.

Problems of Thefts Interstate Viewed by FBI Agent

NEW YORK—Woolens and other textiles, nylon and whiskey appear to be the chief targets of hijackers currently, Robert F. X. O'Keefe, special agent of the FBI in New York, indicated in his talk before the Inland Marine Claims Assn. Leslie A. Lloyd, Pacific Fire, president, was in the chair.

The FBI is interested in getting prompt reports of thefts of interstate shipments, Mr. O'Keefe said. The agency is empowered by law to investigate such thefts and devotes considerable attention to that work. He related the stories of several investigations of truck hijackings and indicated that even though the operators in this field generally are crude in their methods, they have plenty of brass, and it takes time and hard work to catch up with them.

Movement of Jewelry

The FBI also is empowered to investigate the interstate transportation of stolen property if the amount involved is at least \$5,000. In many robberies, particularly those involving jewels, there is no obvious evidence of interstate transportation. Often there is no recovery. It is difficult to determine whether the stolen goods are transported interstate. However, there is a strong presumption that such stolen goods are moved between states, where the values are large, because of the likelihood that the thieves will want to get them out of the district where they were stolen in order to dispose of them more safely. Much stolen jewelry moves into the New York, Chicago and Los Angeles areas for disposal because those are large diamond centers.

One thing that will put the FBI on the trail of known thieves is the style of job which is often characteristic of those engaging in it. He commented also on the habits of residents that indicates to thieves watching for opportunities that they are away from home. For example, in Florida when the residents leave the house they close the windows because of the frequent squalls. Around Chicago the thieves seem to be particularly conscious of jewelry salesmen and there have been more thefts of that sort. The merchandise stolen in such robberies is hard to recover.

One burglar who was successful for a considerable time before apprehension selected victims from Who's Who. Another thief costumed himself in a Railway Express uniform and went from jewelry store to jewelry store asking if they had a shipment ready. At about the 20th store he was handed a package of diamonds worth approximately \$44,000. Other house burglars phone their intended victims to determine when they are away. In some cases if they are calling from nearby they leave the receiver off the hook and they get to the house while the phone is still ringing inside.

Named Connecticut G. A.

William E. Gorbach, general agent at Hartford, has been appointed general agent in Connecticut by Century. C. N. Wilkinson has joined Mr. Gorbach's agency as a special agent. He has been in fire insurance for 20 years.

Hartford Board Elects

David M. Katz has been elected president of Insurance Board of Hartford. He will also be the board's representative to the Connecticut Assn. of Insurance Agents. Warren W. Stanley is vice-president, and Edwin S. Cowles, secretary.

R. N. Provost has completed 30 years as cashier of Scottish Union & National. He was made cashier in 1918.

Cowan Gets Rate Reduction

Following extensive improvements to the water system, Cowan, Tenn., has been changed from class 10 to class 8 by Tennessee Inspection Bureau.

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DEATHS

A. J. ANDERSON, local agent since 1891 at Kewanee, Ill., died at St. Francis Hospital on his 82nd birthday as the result of a coronary thrombosis suffered Jan. 5. At the time of his death, Mr. Anderson was the oldest living ex-



Mr. Anderson, as he looked when president of the Illinois association.

president of Illinois Assn. of Insurance Agents and had appeared at the 50th anniversary meeting of the association at Peoria last fall to take a bow when the past presidents were given signal honors.

Mr. Anderson was born in Sweden and moved to Kewanee when he was two years old. He was a boiler inspector before he was 21 and left that field to open an agency with the late W. H. Remick at Kewanee. He bought out Mr. Remick's interest in 1904 and formed a partnership with Lyle Robison, who died last June. Walter H. Schmidt entered the firm as a partner after Mr. Robison's death.

Mr. Anderson was identified with many business concerns and civic projects and was the head of most of the organizations of which he was a member. He was for many years president of Kewanee Private Utilities Co. and of Kewanee Heating Co. and Kewanee Airport, and was the organizer and president of Kewanee Hotel Co. He was an enthusiastic sportsman and a pioneer golfer, starting to play in 1896.

He served as president of the Kewanee Rotary Club and was for 50 years a delegate to the national Republican conventions.

FREDERICK Y. COFFIN, 75, retired partner in the Moore, Case, Lyman & Hubbard agency of Chicago, died at his home in Evanston. Mr. Coffin started with the agency in 1892 as a clerk and worked in nearly every department until becoming a firm member in 1910. He retired in 1939 due to ill health.

Two sons are with the agency. Frank S., is a partner and John W. is an associate member.

Mr. Coffin was an honorary member of the Chicago Board and was active in civic affairs.

Represent Home 25 Years

Ellis, Smith & Co., Dallas local agents were presented medals and certificates by the officials of the Dallas office of Home in appreciation of 25 years representation.

DeVilbiss, Pa. Insurance Mgr.

E. B. DeVilbiss, manager of the Pennsylvania Railroad's insurance department at the head office in Philadelphia, has retired after more than 40 years of service with the railroad, and is succeeded by O. D. Moore, assistant manager of the insurance department since 1943. He started in the

insurance department 38 years ago as a clerk. Mr. DeVilbiss had been manager of the insurance department since 1934. F. H. Keller, who has been chief clerk to the vice-president in charge of insurance, etc., has succeeded Mr. Moore as assistant manager of insurance, and K. P. Anderson succeeds Mr. Keller.

Lay P. R. Plans in Okla.

A full program for 1950 was laid out at a meeting of Oklahoma public relations committee at Oklahoma City.

An address on "Farm Mutual Competition" was given by A. D. Sills, America Fore. T. Ray Phillips, Joe B. Fears general agency, spoke on "Truck Exchange," and Emmett T. Cox, Western Actuarial Bureau, described the aims and operations of fire prevention. Good and bad examples of publicity concerning insurance were pointed out by Wal-

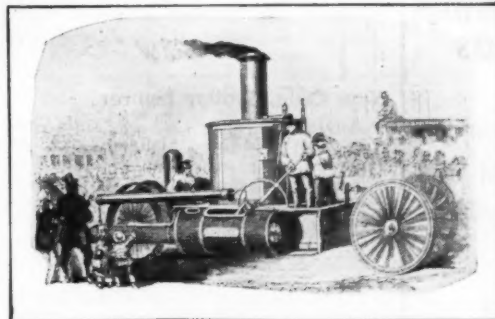
ter G. Dithmer, special representative of Western Underwriters Assn.

Miller Nephew Made Partner

Thomas L. Miller, nephew of Melvin J. Miller, N.A.I.A. vice-president, has been made a partner in the Fort Worth agency of DuBose, Rutledge & Miller. He is a graduate of Texas A. & M., was a major in the marine corps during the war and was in the rating section of the fire insurance division of the Texas department about a year.

Sinclair at Santa Monica

A. Vincent Sinclair, Lloyds manager for Rathbone, King & Seeley in southern California, spoke before Santa Monica Assn. of Insurance Agents on Lloyds coverages, operations and the methods of placing the coverage.



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Nebraska Midwinter Program Is Arranged

Nebraska Assn. of Insurance Agents is holding a midwinter conference at Hastings, Feb. 23. There will be a meeting of the conference committee in the morning with Chairman Robert M. Byrne of Omaha presiding. At the luncheon Executive Secretary Richard C. Allgood will give a talk and G. Ben Joyce will review legislative matters.

During the afternoon there will be a C. P. C. U. panel with Forrest Riddell presiding and a local board panel with

George G. Barker presiding. Then there will be an executive committee meeting, followed by social hour and banquet.

American to Enlarge Western Headquarters

A two story addition costing several hundred thousand dollars is to be erected for the expansion of western department facilities of American at Rockford, Ill. This will provide 14,000 feet of additional floor space. On the first floor will be located the fire underwriting department and on the second will be the loss and accounting work. The Rockford quarters have become congested and the pressure for space will be even greater when the western department of Bankers Indemnity is moved there from Chicago.

E. H. Miller Badly Hurt

Edgar H. Miller, Illinois state agent of North British & Mercantile and past most loyal gander of the Illinois Blue Goose, was seriously injured Tuesday night when his car struck a concrete abutment at Champaign. He is in Burnham City hospital, Champaign. He suffered a fractured jaw, possible fractured skull, multiple leg fractures and internal injuries. Mr. Miller is deputy most loyal grand gander of the Blue Goose for Michigan.

New Okla. Trailer Insurer

Minnehoma Ins. Co., of Tulsa has been chartered in Oklahoma with an authorized capital of \$1 million. The company has been set up to write coverage for Spartan Co. of Tulsa, manufacturers of house trailers. Incorporators are E. H. Gysler, C. S. McCawley, Lyman S. Miller and Estelle Baker.

H. G. Bannerman, superintendent of the farm and hail department of Hartford Fire, the new president of Western Hail & Adjustment Assn., is also the president of Farm Underwriters Assn. and a director of Crop-Hail Acturaial Assn.

He started in the business in 1917 with local agencies at Stevens Point and Redgranite, Wis. In 1925 he joined Hartford Fire in the farm department, traveling Wisconsin as special agent, later transferring to Iowa, Illinois and North Dakota. Subsequently he was farm loss adjuster in the western territory, and in 1931 he moved to Chicago as special agent and adjuster. He was appointed superintendent of the farm and hail department in 1945.



H. G. Bannerman

NEWS BRIEFS

Miss Queenie Johnstone, manager of personnel department of Standard Accident, celebrated 27 years of service with the company.

Charles E. Ferree, Jr., of the public relations department of Travelers has been appointed publicity chairman for the Hartford Red Cross Drive.

Risk Research Institute, New York City, heard a talk by Frederic W. Jackson, assistant manager of group casualty coverages for Equitable Society. He discussed the problems of employers operating under state disability laws.

Sioux Falls Assn. of Insurance Women at its January meeting with 62 in attendance heard Austra Smits, a D.P., tell of her experiences in getting from Latvia to Germany and from there to the U.S. Plans are being made for the regional meeting April 1-2 at Sioux Falls.

Elmira & Chemung County Insurance Women's Assn. held a dinner meeting at Elmira, N. Y., with Lyman Gridley, chairman of Chemung County Safety Council, as speaker.

Kenneth E. Black, who has been elected vice-president and secretary of Home, entered insurance in 1927 with Liberty Mutual, and subsequently was vice-president of D. F. Broderick & Co., Dearborn National Fire and Dearborn National Casualty. He went with Home in 1942 and became secretary in 1947. He will continue to act as assistant to the president.



Kenneth E. Black

Sues Agent for Loss in Unlicensed Insurer

A local agent of Lincoln, Neb., has been sued by a policyholder for loss under a collision policy on the ground that the agent knew that the insurer was insolvent at the time the policy was issued and that he also knew the company was not licensed in Nebraska. The suit was brought against Eno Insurance Agency in Lancaster county district court by Western Motors, Inc., and Carl Schwarskopf. The insurer involved is Texas State County Mutual. This is one of the so-called Texas county mutuals that is largely unregulated even in its home state and that have been roaming the country writing taxi, truck and similar high premium, unwanted lines. Western Motors asks \$1,065 for return of premiums.

Presentation to Prowell

Oden Prowell of Geo. D. Capen & Co., retiring president of Insurance Board of St. Louis, was presented a wrist watch by fellow officers and the manager of the board.

John J. Henschke, Insurance Agency Co., who succeeds Mr. Prowell as president of the board, made the presentation speech.

So. Cal. Adjusters Meet

LOS ANGELES—The Southern California chapter of Independent Insurance Adjusters Assn. of California heard Executive Secretary Robert B. Crofton of San Francisco report on the affairs of the association.

White McGee of Parker, Stanbury, Reese & McGee, attorneys, talked on survival of actions for personal injuries and wrongful deaths.

Set Cal. Regional Meetings

California Assn. of Insurance Agents has announced its schedule for spring regional meetings. Eight meetings will be held in northern California Feb. 6-10, with Secretary-Treasurer Robert E. Battles as chief speaker; three in Central California Feb. 6-7 with President Harold E. Barnhart as speaker, and 10 in southern California Feb. 13-March 2, with Vice-president Lorrin K. Carroll and Mr. Battles as speakers.

The southern California meetings will be at Long Beach, Santa Ana, Beverly Hills, San Fernando Valley, San Diego, Imperial Valley, San Bernardino, Pasadena, Santa Barbara and Los Angeles.

Sidney Salomon, Jr., president of Salomon, Hannegan, Portnoy & Associates, St. Louis brokerage concern, has

been offered the post of treasurer of the Democratic national committee, according to informed sources in Washington.

F.C.I.C. Wheat, Cotton Loss Ratio in 1949 was 150%

WASHINGTON—Federal Crop Insurance Corp. reports in wheat and cotton programs, indemnities paid farmers for 1949 crop losses exceed premium income by about 50%. In other programs—tobacco, corn, flax, bean and multiple crop coverage—1949 losses amounted to 16 to 64% of premium income.

Loss ratios under these five programs follow: flax, .50; tobacco, .64; corn, .37; bean, .39; multiple, .16.

TV Contract Not Insurance

PHILADELPHIA—The Pennsylvania department does not believe that annual contracts guaranteeing service and parts to television set owners can be considered insurance. New York state accepts such contracts as insurance.

A ruling by the attorney general's office at Harrisburg on the request of Philadelphia Better Business Bureau declares that in spite of the similarity of the service contract to an insurance policy, a preliminary study does not indicate that these contracts come under the jurisdiction of the department.

Requests originally for such a ruling came from holders of the service policies who asked for information about whether they could complain to the insurance commissioner in case of a violation of the contracts.

Whether further appeals will be made either by the Better Business Bureau or an individual was not announced here.

Walker West. Marine Head

American has appointed Thomas E. Walker manager of the marine department of the western department at Rockford, succeeding H. W. Casler, resigned.

Mr. Walker, was in insurance for three years following his graduation from Beloit College before entering the army as a private. He received his discharge as a captain in 1946 and then joined American at Rockford as an assistant examiner in the marine department. He was successively promoted to examiner and assistant manager, before being named manager.

Duff Philadelphia Speaker

James H. Duff, governor of Pennsylvania, will speak at the annual banquet of Insurance Society of Philadelphia Feb. 20. Commissioner Malone will be toastmaster. Charles P. Butler, executive vice-president of National Assn. of Insurance Agents, will be the guest of honor. George T. Rowland of Martin Rowland is general chairman.

Independence of Los Angeles has been licensed to write disability insurance in California.

Fred N. Hoyt, curator of Friends University museum, presented films taken on a recent hunting trip in Africa at a dinner meeting of Insurance Women of Wichita. Delegates to the regional conference March 18-19 at Lincoln, Neb. were selected.

Max C. McConachie has succeeded Gerald Jones as manager of the Andover Insurance Agency, Andover, Kan.

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Says Competition Is Gone as Result of State Balkanization

Insurance buyers, particularly those faced with administering the insurance program of large industrial companies, are beginning to feel the aftermath of the "Balkanization" of insurance resulting from P. L. 15, and are beginning to wonder if competition has not been stifled as the industry takes on the status of a controlled and strictly regulated business. Eugene Dougherty, insurance manager of Anheuser-Busch said in an address before the general management meeting of American Management Assn. at San Francisco.

Questions Company Competition

Mr. Dougherty questioned whether there is earnest dollar-and-cents competition between the companies. He said that there exists competition for an ever increasing volume of premium income and that periodic tabulation of results are jealously watched by executives whose reputations rise or fall with the published figures. Claim department men vie with one another to show at the end of the year a reduced average in the cost of loss adjustments. Branch offices watch each other closely and have an uncanny knowledge as to which agent or broker handles the largest and most prominent risk. However, this character of competition has existed for years and will continue; but aside from this aspect of competition he said emphatically there is no vital competition in price between the companies as it existed prior to enactment of state regulatory laws.

Calls for Rating Uniformity

Buyers of insurance and the public in general must adjust their perspective, and their pocket-books, to this socialization of the insurance industry, he declared.

While state regulation is more noticeable in the effect it has had on insurance costs, other problems have been presented with which the industry is grappling but has not as yet been able to solve. Mr. Dougherty remarked that

one of the most pressing is the establishment of uniformity in rating and underwriting procedures on a nationwide basis, while at the same time these procedures must be approved by the industry itself, National Assn. of Insurance Commissioners and the laws of 48 states. He mentioned the confusion and uncertainty that the buyer faces in attempting to insure multiple location risks.

Mr. Dougherty remarked that this is a time when security is being emphasized, and insurance as a synonym for security is receiving more attention from the business executive. Management is looking closely into the security costs. High concentration of values and inflation have made insurance a sizable item in the operating budget, and as the economy changes into an intensely competitive stage, increasing emphasis will be placed on reduction of operating costs. In the face of these conditions, Mr. Dougherty said it behooves the buyer to reexamine his program to determine whether changes in coverage or cost can be advantageously effected.

If the investigation of hazards has been accurate and complete, it is not difficult to ascertain the extent of probable loss. The buyer can purchase insurance against all hazards, but where commercial coverage is available, the question as to what risks should be insured and what self-insured is resolved into the question of which is most economical, all factors being equal.

Lists Guiding Factors

In making an appraisal of company policy as to insurance, Mr. Dougherty listed a number of guiding factors:

—Is the insurance placed with financially sound and capably managed companies? Size alone is not the yardstick. Ascertain the investment policy of the company, the ratio of premium to surplus and the underwriting results in growth of premium volume.

—Is the insurance being purchased on a businesslike basis, having in mind the necessity of reducing operating expenses in the face of prospective keen competition? Can the coverage be procured at reductions in cost through another market?

—What has been the policy of the company respecting allocation of funds for improvement of property and accident prevention? The cost of making such improvement might be amortized in a few years by the premium savings involved.

—Has the business been placed with a broker on the basis of competency and ability to serve, or has it been handed out for other reasons to some individual whose desire for commissions is exceeded only by his manifest ignorance of even the fundamental principles of insurance? Business men are beginning to see the advisability and necessity of placing their business through brokers who are well qualified to give expert advice.

—Have administrative procedures in the insurance department been brought up to date? Changes in operating conditions may have made some past procedures inappropriate, if not obsolete.

Home Safety Forum in N. J.

A home safety forum will be held by New Jersey Safety Council Feb. 16 at Newark on "Formulas for Home Safety."

One of the featured speakers will be Mildred C. Sommer, assistant to the secretary of Underwriters' Laboratories.

Charles F. Wiggins, previously with Pilot Life and Equitable Society and a past president of East Tennessee Life Underwriters Assn., has joined the Bennett & Edwards agency at Kingsport, Tenn.

W. L. Legrow, western New England manager for Liberty Mutual, was guest speaker at a meeting of the Greenwich (Conn.) Chapter of National Assn. of

Cost Accountants. He spoke on "Industrial Insurance Costs and Problems."

Named by Peerless Casualty

E. W. Shaw Co. of Denver has been appointed managing underwriters for Peerless Casualty in Colorado, Wyoming and New Mexico for multiple casualty lines. The firm has been general agents for Peerless in the three states for surety and burglary business.

Dante B. Tye in partnership with J. A. Woodall will open the Tye-Woodall agency at Spokane. Mr. Tye has been operating his own agency there. Mr. Woodall has been manager of the insur-

ance department of a local automobile dealer.

Balboa to Raise Capital

Balboa Ins. Co. of Los Angeles has been granted a closed permit to sell its sole stockholder, Seaboard Finance Co., 1,500 shares of capital stock at the \$100 par value. The capital increase will enable the company to meet requirements for entering other states.

E. G. Frazier, vice-president of Springfield F. & M. in the western department in Chicago, has returned to his desk after an absence of more than two weeks as the result of an appendectomy he underwent New Year's day.

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EDITORIAL COMMENT

Marine Insurance War Record

The marine insurance business has been unjustly put under a shadow in Washington by the charges made by Rep. Weichel of Ohio, demanding an investigation of the operations of maritime commission and the private insurance companies in the handling of various wartime insurance situations. The relationship of maritime commission to the private insurance apparatus was complicated and Weichel's wading in with these charges created headlines that could not be obliterated with simple answers. We have every reason to believe that the participation of the private insurance business in this great wartime undertaking was entirely praiseworthy, and that very important services were provided the country, that undoubtedly substantial savings were effected and that all in all, the record of private marine insurance in its relationship with the government during the war is one that ought to be bragged about and publicized. It is unfortunate that Weichel's attack has raised doubts and suspicions where thanks and praise were in order.

At the time that Rep. Weichel was making his charges, the private insurance people kept their counsel and perhaps wisely, but we think that the marine insurance people should look for the opportunity to tell the story of their wartime record. It should be told and publicized prominently and in a way that can be understood and followed by those who may not be familiar with the technicalities of insurance or marine insurance.

This record probably can best be brought forward when such action could not be construed as a defensive move or as an answer to adverse criticism.

In the meantime, the Bonner subcommittee report, just released, contains more than a little solace to private insurance interests. The Bonner committee gave a critical report of the handling of marine insurance matters during the war, but included a passage in which the insurance business can take a great deal of satisfaction.

The Bonner committee went on to state that during the war, the maritime commission issued war risk policies on hull, cargo, crew and builders' risk. The commission was the insurer or reinsurer and assumed all liability for war risk losses. Marine insurance companies or syndicates took part in the war risk insurance program, selling, adjusting and settling agents of maritime com-

mission on a fee basis.

The subcommittee stated it has concluded on the basis of facts reported that there was some laxity in the administration by maritime commission of this part of the program. Deficiencies have been brought to light in the method of issuing and controlling war risk policies and in the handling of premiums, reserves and adjustment and settlement of claims.

In some cases the maritime commission itself issued war-risk policies. This was done through an underwriting division in the commission operated by personnel on loan from marine insurance companies, but on the government payroll. Each such underwriter was assigned a block of policy numbers and kept a record thereof by stamping all such assigned numbers in a stenographer's notebook. When insurance was requested by an owner, one of the maritime commission underwriters would execute a binder in pencil, approve it for the director of wartime insurance and enter the name of the assured in the stenographer's notebook opposite the next consecutive policy number of his block of numbers. The policy itself would be issued later upon receipt of necessary information and payment of the premium; the amount of the premium often was subject to modification. The number opposite the assured's name in the stenographer's notebook would be written in pencil on the binder and typewritten on the actual policy when issued.

Original policies were mailed to the assured. The binder and one copy were filed in a correspondence folder while another copy was filed in a separate folder in numerical sequence.

Very often policies were not typed until after voyages had been completed because of inadequate information to issue them. But the vessels were covered where all or a part of the premium had been paid and binder numbers assigned. Further, if for some reason the policy was not issued after a binder number had been assigned, it was customary for the underwriter to write the word "cancelled" on the face of the binder and file it in the correspondence folder, at the same time lining out the name of the assured previously entered in the stenographer's notebook. In such cases, of course, no copy of a policy would be filed.

Examination by representatives of the general accounting office of the mari-

time commission files failed to locate some of the cancelled binders which apparently had been destroyed. However, examination disclosed also sufficient evidence to warrant a determination that policies had not been issued.

It appears that whole blocks of numbers assigned to the maritime commission underwriters were not used at all and that in other cases, numbers were assigned and never used, thus indicating a lack of proper control and accounting by the maritime commission for the policies which it issued. However, no evidence was found that the government sustained any loss of money for these reasons and appropriate action has been taken by the maritime commission to correct the deficiencies in accounting for the policies, premiums and related papers.

As to the war risk policies which were issued by insurance syndicates as agents for maritime commission, it appears that MC turned over to a syndicate or central clearing house, a quantity of blank policies bearing the facsimile signature of the war shipping administrator. The policies seem to have been unnumbered when so-released by the commission and consequently the commission then had no proper control or accounting record thereof. The policies required countersignature by the designated agent before issuance by the agent to any assured.

The syndicate was composed of 115 member agents throughout the country working through the central clearing house. Each agent was given a quantity of blank policies (unnumbered) by the clearing house. As the agent issued a policy, it placed a number thereon consisting of two parts: (1) the code number assigned to the agent, and (2) numerical sequence identification. The agent would collect the premium, deduct his fee and retain one copy of the policy which later was sent to the clearing house and held there for the mari-

time commission. When representatives of the general accounting office audited the war risk insurance records at the clearing house early in 1947, maritime commission copies of policies were still there and the clearing house offered to turn them in.

It was necessary to relate all of this preliminary detail in order to convey an idea of the significance of the subcommittee's splendid reference to insurance which follows in full:

"The war risk insurance records of the syndicate were made available to general accounting office representatives for examination. The general accounting office made an entirely adequate review of those records, and has reported no evidence of irregularity, improper accounting by the syndicate as to war risk policies, or any monetary loss to the government therefrom. However, it appears that the maritime commission may not have known at any particular time exactly what its obligation was on the war risk policies in the hands of its agents. Hence, that the government sustained no monetary loss, as now appears to be the case, reflects special credit on the integrity and efficiency of the insurance agents. Apparently inadequate controls and accounting by maritime commission left the way open for possible serious losses, had it not been for the conscientious performance by its agents. The same should be said, to a large extent, with respect to the so-called underwriters who worked for the maritime commission in the issuance of policies, as pointed out above."

For those who have been troubled by the headlines in the daily papers that were caused by Rep. Weichel's charges, these words from the Bonner subcommittee are most welcome and confirm the general understanding that marine insurance turned in a highly creditable and certainly meritorious service during the war.

PERSONAL SIDE OF THE BUSINESS

H. E. Reeves of Joyce & Co., Chicago, appeared in pictures in the Boston papers along with the officials of Brink's, Inc., in connection with the announcement of \$100,000 reward for capture of the robber of a million dollars in cash and \$500,000 in checks from Brink's offices at Boston. Joyce & Co. handles the insurance which is with Commercial Union.

Directors of International Assn. of Fire Chiefs, at their annual winter meeting in New York last week gave a luncheon in honor of two veteran fire prevention experts, **George W. Booth**, for 39 years chief engineer of the National Board, and **T. Alfred Fleming**, for 30 years director of conservation for the board. Mr. Booth and Mr. Fleming

retired on Dec. 31.

Fire Chief **William J. Cawker**, Topeka, president of the association; Chief **John Alderson** of Los Angeles, 1st vice-president, and **Jay Stevens**, executive secretary, were the speakers.

Raymond Waldron, vice-president of Detroit Fire & Marine, is enjoying a Caribbean cruise and is due back at Detroit, Feb. 10.

George W. Carter and **David Marantelle** of Detroit Insurance Agency went to New York for the opening of the General Motors show.

T. M. Geohegan, vice-president of Perkins & Geohegan, Cincinnati, has been elected president of the Irish Fellowship Club there.

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Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York.

PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO 4, ILL. Telephone WA 2-2704.

EDITORIAL DEPARTMENT: Managing Editor: Levering Cartwright. News Editor: F. A. Post. Associate Editors: R. B. Mitchell, J. C. O'Connor. Assistant Editors: Richard J. Thain, John C. Burrige.

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CHICAGO 4, ILL.—175 W. Jackson Blvd. Tel. WA 2-2704. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Mgr. R. J. O'Brien, Advertising Mgr. R. L. Rudd, Circulation Mgr.
CINCINNATI 2, OHIO—420 E. Fourth St. Tel. Parkway 2140. George C. Roeding, Asso-

ciate Manager; George E. Wohlgenuth, News Editor; Arthur W. Riggs, Statistician.
DALLAS 1, TEXAS—802 Wilson Bldg., Tel. Prospect 7-1127. Roy H. Lang, Southwestern Manager.
DES MOINES 12, IOWA—3333 Grand Ave. Tel. 7-4677. R. J. Chapman, Resident Manager.
DETROIT 26, MICH.—532 Lafayette Bldg. Tel. Woodward 3-2826. A. J. Edwards, Resident Manager.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg. Tel. Victor 9157. William J. Gessing, Resident Manager.
MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg. Tel. Main 5417. R. W. Landstrom, Resident Manager.
NEW YORK 7, N. Y.—99 John St., Room 1103. Tel. Beekman 3-3953. Editorial Dept.—Eastern Editor: Kenneth O. Force; Assistant Editor: Donald J. Reap.

Business Dept.—Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.
PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.
PITTSBURGH 22, PA.—508 Columbia Bldg. Tel. Court 2494. Jack Verde Stroup, Resident Manager.
SAN FRANCISCO 4, CAL.—507 Flatiron Bldg. Tel. EXbrook 2-3054. F. W. Bland, Pacific Coast Manager.

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DEATHS

RUTHERFORD H. TOWNER, 79, founder of the Towner Rating Bureau, died at his home at Piedmont, a suburb of Oakland, Cal.

Lawyer, scholar, author, and pioneer in establishment of premium rates for fidelity and surety bonds, Mr. Towner was admitted to the bar in 1897 on graduation from New York law school.

He began with American Surety at the home office and served as an at-



RUTHERFORD H. TOWNER

torney and as manager of the underwriting department until 1909. In that year he founded Towner Rating Bureau as an independent body to establish equitable and scientific premium rates for fidelity and surety bonds. It was the first nationwide system of determining rates for corporate surety bonds, and its rate-making services were adopted by the companies writing that business in the U. S.

When the bureau was organized, corporate suretyship was in a chaotic condition because of the lack of adequate and equitable premium rates, but the bureau pioneered in establishing the rating system which is now followed throughout the fidelity and surety bond business.

Mr. Towner made numerous appearances before state and federal insurance supervisory authorities in his efforts to stabilize rates, compile the underwriting experience of the sureties, and restore the business to health. He was held in high esteem as a business pioneer by production forces, surety executives and supervisory officials.

After transferring his personal equity in the bureau to the member companies Mr. Towner retired in 1938 and moved to California.

GEORGE A. PURTELL of Chicago, father of W. R. Purtell, special agent there for New Amsterdam Casualty, and of G. F. Purtell, insurance department of American National Bank & Trust Co. of Chicago and president of Midwest Insurance Buyers Assn., died of a heart attack.

PAUL W. SCHENCK, 68, head of Carolina Insurance & Loan Agency, Greensboro, N. C., and general agent of Provident Mutual Life, died of a heart ailment. At one time he was secretary of the old Greensboro Life & Trust, which was reinsured by Jefferson Standard.

He was a former state agent for Globe & Rutgers.

ANDREW J. PEMBROKE, 85, founder of the Pembroke agency, Columbus, O., died after a week's illness. He went to Columbus from Circleville in 1879 and in 1885 became state agent for Security of New Haven. In 1900 Mr. Pembroke joined S. M. Shedd in forming the Shedd & Pembroke agency.

Midwest Special Agent Hits \$33,000 Jackpot

Marvin Quinley, inland marine special agent in Illinois, Indiana and Michigan for Phoenix of Hartford, hit the jackpot to the tune of \$33,000 in prizes and cash Saturday night as a result of successfully answering three questions on the "Sing It Again" radio program.

Mr. Quinley, who lives in Cicero, Ill., was called at his home. By answering the first questions correctly, he had a chance to pick up \$25,000 more in cash, but he stubbed his toe on the final question. He was asked what the initials "P. G." stand for and guessed correctly "Pancho Gonzales." Then Mr. Quinley failed by four games to state correctly the longest set of tennis that Gonzales has played. He said 30 and the answer was 34.

According to Mr. Quinley's week-end estimates, the income tax on his new wealth will come to about \$14,000 if he accepts all the prizes.

Since 1917 it has been known as the Pembroke agency. A son, Warren W., was associated with him in business.

VAN KIRK BENDER, 51, Cleveland local agent since 1929, died there. His wife will continue the business.

H. E. BILKEY, 59, head of the New York City brokerage firm in his own name, died there. He was assistant in Washington to the late Senator J. S. Frelinghuysen of New Jersey and later was with the Frelinghuysen brokerage firm. He served many years as vice-president and director of Stuyvesant then as vice-president and director of Globe & Rutgers. He was a director of Preferred Accident and had operated his own brokerage firm since 1939.

EDWARD G. ELLEFSON, 76, Toledo district manager of United of Chicago for 17 years and with that company since it started in 1919, died at Toledo.

E. J. MCKEEVER, 68, financial secretary of Commercial Union, died at his home in Queens, N. Y. He had been with the company 44 years.

F. B. MYRICK, SR., retired inspector for Royal, died at his home in Glen Cove, L. I.

CHARLES C. DICKENS, 60, president of the Cowen-Dickens agency at Bellair, O., died at his home in that city.

JULIUS P. McGRAYEL, 69, formerly with National Surety at Indianapolis and New York City, and for 10 years Texas manager for Seaboard Surety, died at Indianapolis. He had been retired since 1946.

FRANCIS B. KEMP, 47, president of Reidsville Realty & Insurance Corp., Reidsville, N. C., died of a heart attack.

CARRIE J. LOOSE, wife of Vice-president John G. Loose of Great American, died at their residence at West Orange, N. J., after a brief illness.

EDWARD MAXSON, 81, who was banking and insurance commissioner of New Jersey from 1923 to 1929, died at New York.

Counsel Rally in Fla.

The mid-winter meeting of International Assn. of Insurance Counsel is to be held at Palm Beach Biltmore, Palm Beach, Fla., Feb. 22-24.

Tom Charles has joined the Seattle agency of Horder, Jacobs & Speck. Mr. Charles has had five years experience in insurance with General and Northwestern Mutual Fire.

1949 RESULTS OF MUTUAL COMPANIES

	Adm. Assets	Unearned Prem.	Net Surplus	Net Prem.	Net Losses Paid
American Mutual Reinsurance	2,245,665	715,623	1,400,000	856,579	386,614
Berks County, Pa.	115,523	118,316	290,797	102,349	29,137
Cream City, Milwaukee	1,039,707	455,481	534,154	443,358	130,308
Druggists, Ohio	528,314	206,872	286,816	251,509	108,149
Germantown Mutual, Wis.	1,002,127	270,257	660,324	240,359	60,883
Indiana Lumbermens	10,238,019	6,308,464	3,038,360	7,065,332	2,293,351
Millers' Mutual, Ill.	7,697,972	3,167,387	3,693,050	4,410,581	1,294,667
Mutual Implement & Hardware	18,169,054	9,774,529	5,246,800	12,703,902	3,525,612
New Castle, Del.	825,756	141,932	267,549	130,004	34,893
Republic Mutual, Kan.	1,242,438	495,967	693,931	408,048	171,629
Texas Hardware, Dallas	356,974	72,932	242,341	86,264	25,827

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago

Jan. 23, 1950

	Par Div.	Bid	Asked
Aetna Casualty	3.00	92 1/2	95
Aetna Fire	2.20*	59 1/2	61 1/2
Aetna Life	2.50	79 1/2	82
American Alliance	1.20*	25 1/2	26 1/2
American Auto	2.00	53 1/2	Bid
American Casualty	.80	15 1/4	16 1/4
American (N. J.)	.90	21	22
American Surety	2.50	59	61
Boston	2.40	64 1/2	66
Camden Fire	1.15*	22 1/2	23 1/2
Continental Casualty	2.50*	64 1/2	66
Fire Association	2.50	72	75
Fireman's Fund	2.60	94	96
Firemen's (N. J.)	.60	20 1/2	21 1/2
Glens Falls	2.20*	51	53
Globe & Republic	.60	12 1/2	13 1/2
Great Amer. Fire	1.30*	32	33 1/2
Hanover Fire	1.60	36	37 1/2
Hartford Fire	3.00	115	117
Home (N. Y.)	1.60	34	35
Ins. Co. of North Am.	3.50*	106	108
Maryland Casualty	.75*	18 1/2	19 1/2
Mass. Bonding	1.60	30	32
National Casualty	1.50*	29 1/2	31 1/2
National Fire	2.50*	58	60
Natl. Union Fire	1.40	37 1/2	39
New Amsterdam Cas.	1.30	41	43
New Hampshire	2.00	44 1/2	46 1/2
North River	1.20	26 1/2	28
Ohio Casualty	1.20	53 1/2	Bid
Phoenix, Conn.	3.00*	100	103
Preferred Acc.		6	6 1/2
Prov. Wash.	1.50*	35 1/2	37
St. Paul F. & M.	2.00	103	106
Security, Conn.	1.60	36	37 1/2
Springfield F. & M.	1.90	46 1/2	48
Standard Accident	1.45	38 1/2	40
Travelers	12.00	428	438
U. S. F. & G.	2.00	50 1/2	53
U. S. Fire	2.00	67	69

*Includes extras.

Apologies to C. W. Harris

THE NATIONAL UNDERWRITER offers apologies to C. W. Harris of the Virginia insurance department for an inadvertence in a story in the Jan. 12 edition referring to Mr. Harris as "formerly with the Virginia department."

Mr. Harris' remarks on this error are worth reproducing and are set forth herewith:

"Your paper is such an excellent journal and usually so accurate that I hesitate to question the facts which it presents. However, I sincerely hope that in this instance you are not in possession of information which I do not have since, to the best of my knowledge and belief, I am still with the Virginia department or at least I was through last pay day and hope I will continue to be on the payroll for some time to come. In any event, up to the present moment I haven't received a pink slip, although it is highly probable that it should have been delivered to me on many occasions."

Nominating Change Asked

WASHINGTON—The by-laws committee of National Assn. of Mutual Insurance Agents, meeting here, agreed to recommend a change in the by-laws which will place in the hands of the advisory board of state association presidents the responsibility for nominating future directors. The proposal will be voted on at the convention in May at Virginia Beach.

President Corey G. Hunter, Moravia, N. Y., appointed a national affairs committee to keep the membership posted on federal legislation affecting free enterprise. Chairman is J. A. Hotinger, Winchester, Va.

Dan D. Rogers, chairman of National City Bank of Dallas, has been elected a director of Southwestern Fire & Casualty of Dallas.

THE PHOENIX-CONNECTICUT GROUP of Fire Insurance Companies



The Phoenix Insurance Company, Hartford, Conn.

1874

The Connecticut Fire Insurance Company, Hartford, Conn.

1850

FOUITABLE Fire & Marine Insurance Company Providence, R.I. 1859

ATLANTIC FIRE INSURANCE CO. Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO. Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO. White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO. Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA Montreal, Canada

HARTFORD 30 Trinity Street

CHICAGO Insurance Exchange

NEW YORK 110 William Street

SAN FRANCISCO 220 Montgomery Street

MONTREAL 485 McGill Street



All Forms of Fire and Property Insurance including Ocean and Inland Marine Country-wide Brokerage Service

TIME TRIED & FIRE TESTED



"BUT, DARLING—YOU HAVE NOTHING TO DECIDE. YOUR DAD HAS ALREADY TAKEN ME INTO HIS AGENCY."

Explain Workings of New Pa. Responsibility Law

Approximately 1,000 agents, brokers, and others interested in Pennsylvania's financial responsibility law, which becomes effective Feb. 1, attended a meeting in Philadelphia sponsored by the Insurance Society there and several other organizations. Norman Keck of the state government explained the workings of the law, and George Schepens of the Assigned Risk Plan, discussed that subject.

Though Pennsylvania has had an assigned risk plan since 1943, with the new F.R. law many agents and brokers over the state are interested in finding out exactly how the plan works. Mr. Schepens has made several other talks in the state to production groups.

It is not considered likely by observers that the law will increase the use of assigned risk plan unduly. However, it is expected to increase the percentage of cars insured. One

estimate is that about 35 to 40% of motor vehicles and private passenger cars in Pennsylvania now are insured for property damage and bodily injury. If the Pennsylvania experience follows that in New York and other states, this should jump to more than 50% almost immediately and then climb gradually. In New York, for example, the jump was to approximately 70% in the first year. Since then the percentage has climbed steadily until now it is estimated at 90 to 95%.

PPF Caution on Travelers Abroad

Some companies are getting cautious about issuing personal property floaters to those who buy the contract for the first time in contemplation of foreign travel. Experience on this contract still continues to be unsatisfactory for many insurers, and underwriting is being watched closely. More people are traveling in Europe and Asia, where disorganized conditions contribute to abnormal loss experience. Costs are in-

creased by the fact that most companies have inadequate facilities for adjusting losses abroad.

Sharp Division on Ill. Assigned Risk Surcharge Change

Sharp division between local and nationally operating companies in Illinois over the question of whether to eliminate the 15% surcharge on risks given the assigned risk plan was shown at a meeting at Chicago last week attended by more than 100 company representatives.

Director Hershey had previously set Jan. 1 as the executive date for a modification of the assigned risk plan that included elimination of the surcharge and substitution of a \$3 application fee per motor unit. The date was postponed and this meeting was called to sound out the sentiment of the companies on the points of contention.

The four principal items up for discussion were (1) whether to eliminate the 15% surcharge on so-called "normal" risks (those not guilty of reckless driving, intoxication, etc.), and (2) should a \$3 application fee be used to defray the cost of the plan, (3) should there be a 2½% allowance for field supervision, and (4) should the surcharge on long haul trucks be reduced from 25% to 10% as formerly. There was general agreement on the last two points, but American Mutual Alliance and National Bureau of Casualty Underwriters, supported by Allstate and Lumbermen's Mutual Casualty, led the opposition to the elimination of the surcharge.

The Illinois local companies and Illinois Assn. of Casualty Insurers were in favor of the changes approved by Mr. Hershey previously. The majority of those attending were against any elimination of the surcharge.

These opinions of the companies will be forwarded to Mr. Hershey and he is expected to take action shortly. In the meantime, the rule changes originally promulgated for Jan. 1 will be held in abeyance.

C. F. Thomas, Great Leader, Dies at 77

(CONTINUED FROM PAGE 1)

its aftermath were appalling to Mr. Thomas.

Mr. Thomas was born at Oxford, Ind., but went to Topeka, Kan., when he was 21 because his brother John was then connected with the Bailey General Agency there, which was headed by George Bailey, a brother-in-law of the Thomas brothers. C. F. Thomas at Topeka set up a secretarial-stenographic service but soon also went with the Bailey general agency. He later entered field work and became state agent of Phenix of Brooklyn in Kansas, Oklahoma and Indian Territory. Later he became Texas state agent and in 1911 transferred his allegiance to Royal. It was here that he made a lasting reputation. He became probably the outstanding field man of the state and won the title of the "King of Texas." In 1922 he was promoted to assistant western manager of Queen at Chicago. Four years later he became assistant western manager of Aetna Fire, his brother John that time being the manager.

It was that position that Mr. Thomas left in 1928 to become manager of Western Underwriters Assn. and to embark on a career of two decades of eminence on the fire insurance scene.

Gross to Aviation Post on Coast

Robert E. Gross has been named superintendent of the aviation department for Royal-Liverpool at San Francisco. Mr. Gross was a navy pilot during the war.

Ross Tidrick, Ohio Veteran, Is Retiring

Ross S. Tidrick, who has been in the Ohio field for Springfield F. & M. since 1911, has retired, and supervision of the state will be continued by State Agents Howard I. Smith and George M. Giles.

Mr. Tidrick taught school for two years and then for 15 years was in the local agency business in eastern Ohio before joining Springfield.

During his years in the field, Mr. Tidrick was president of Ohio Fire Underwriters Assn. and Ohio Fire Prevention Assn. He was a prominent member of Ohio Blue Goose and a life member of Fire Underwriters Assn. of the Northwest. He was a member of the Ohio legislature for two terms (1908-1912) and took an active part in insurance legislation.

Mr. Tidrick's son, Donald, is with General Adjustment Bureau at Albuquerque. Mr. Tidrick is presently visiting there.

WANT ADS

UNUSUAL OPPORTUNITIES

Field Supervisor — Fire, Allied Lines and Casualty insurance for well-known Wisconsin company. Organizational and sales training ability. Must be under 35.

Superintendent of Agencies — Head up sales organization of Fire and Casualty company operating in midwest states. Organizational ability and record of production required. Must be under 40.

Also, **State Agent** to develop fire and casualty business in Minnesota. Give complete data of experience and qualifications. Include snapshot. Address Y-29, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Personable young man 25 to 32 years of age. Reasonably familiar with terms and conditions of various types of policy contracts including fire, marine and casualty to do insurance analysis work. Prefer someone with an imagination and a flair for writing. Address Y-33, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CPCU interested in acquiring substantial stock agency in small town upstate New York or New England. Must be near a college or university. Indicate companies represented, volume and type of business, and reason for wishing to sell. Address Y-25, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

POSITION OPEN

An insurance organization specializing in industrial properties has an opening for a big grade fire prevention engineer to service selected risks throughout the U.S. and Canada. Position requires supervisory ability and extensive traveling. Rating bureau experience desirable though not mandatory. Address Y-27, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

INLAND MARINE UNDERWRITER CHICAGO OFFICE

Opening in inland marine department for assistant underwriter. Must have experience. Excellent future. Call Central 6-8570, and ask for Mr. Redman.

Employed General Adjuster with 20 years experience in all fire and marine lines wants outside adjusting. Single and will go anywhere in the world. Address Y-32, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

NEW YORK COLUMBIA MEMPHIS HOUSTON RALEIGH
MONTGOMERY JACKSON DALLAS LOS ANGELES FRESNO

THE COTTON INSURANCE ASSOCIATION

ATLANTA, GEORGIA



Entire Attention
Devoted to
Cotton Insurance
Since 1905

The facilities of the CIA are at the disposal of the Agents of Members and affiliated companies.

Thirty-six
Leading
Companies
Behind
Every Policy

Per Bale Reporting Insurance Adapted to the Cotton Trade

All-Industry Men Grapple with New FTC Issue

Meet at N. Y. on
Federal Agency's
Auto Finance Rules

A meeting of the full all-industry committee gets under way at the Park Sheraton hotel, New York, Thursday of this week to tackle a new aspect of the problem of the area to be occupied by the states and by federal trade commission in the supervision of insurance.

The issue is here provoked by the new proposed trade practice rules covering the automobile "pack" and related practices that was released by federal trade commission Jan. 12, and on which there is to be a hearing at Washington Feb. 2.

This FTC undertaking started out as a program of reform in the automobile finance field, but rule four in the proposed set of rules provides for direct FTC regulation of insurance companies. In other words, the FTC goes beyond undertaking to regulate the seller and puts the insurance company right under its thumb.

Text of Rule Four

Rule four reads: "It is an unfair trade practice for any seller, insurance company, or financing institution, acting individually or in agreement, combination, conspiracy, or collusion, to use or promote the use, through advertisements or otherwise, of any false, misleading or deceptive statements or representations concerning insurance rates and coverage, rates of finance charges, plans respecting methods of financing, finance charges or costs, endorsements, repurchase agreements, transfers of installment sales, contracts, or any other related matter in connection with the purchase, sale or distribution of motor vehicles."

It is understood that this question is being talked up extensively among individual commissioners and that Larson of Florida as chairman of the N.A.I.C. committee on liaison with FTC is giving the problem a great deal of consideration. There are some that are advocating a very firm and completely representative statement by the commissioners to the effect that the FTC at this point is overstepping its bounds; that the states are thoroughly equipped to regulate the insurance aspects of the matter and, in short, to make a clear cut issue of the situation at this time.

Armstrong Retires, Name Whiteman S. F. Manager

L. H. Armstrong, casualty manager of Travelers at San Francisco is retiring Feb. 1 after 44 years with the company. Mr. Armstrong was manager at Milwaukee before going to San Francisco as manager in 1923. He was given a farewell luncheon at the Marine Memorial Club that was attended by approximately 300 Travelers employees, agents and brokers. Mr. Armstrong was presented with a television set.

Stanley J. Whiteman is being transferred from Buffalo as manager to succeed Mr. Armstrong. Mr. Whiteman has also been manager at Cincinnati and Indianapolis for Travelers.

Proposed Kentucky Code Incorporates Advanced Features

The proposed new Kentucky insurance code which has been submitted to the state legislature recreates the department of insurance as a separate entity supervised by a commissioner. The insurance division, supervised by a director, now operates under the department of business regulation. The new code would become effective Sept. 1, 1950.

Among many changes in the new code is the requirement that new agents must qualify by examination directed at the kind of insurance they intend to write. Licensing of independent and public adjusters is required for the first time along with a surety bond requirement for adjusters handling public funds.

The new code creates a category of insurance representatives to be known as solicitors, licensed representatives of insurance agents. There is a provision that a temporary license may be issued in cases where an agent becomes disabled or deceased.

Financial requirements for all types of insurance companies have been increased substantially. Companies now authorized to do business would be permitted to do so without having to meet the new requirements.

To the grounds in the present code for forcing a company to discontinue writing new business in the state are added habitual "chiseling" on claims; illegally placing Kentucky business in an affiliated company which is not authorized to write business in the state, and failure to pay a final judgment.

Stricter Impairment Rules

The number of incorporators required to start a new stock company has been reduced from 13 to five and a minimum par value of \$10 per share is required as to capital stock by the proposed code. If the capital stock of a company is impaired at all, the company is required to cure the impairment upon 90 days' notice from the commissioner. In the present code, no impairment is deemed to exist until the capital of a company falls below 80% of its capital stock.

For the first time, provision is made for the mutualization of stock companies. A new provision is contained governing merger or consolidation of mutual companies with other companies. An explicit provision as to the impairment of the surplus funds of mutual companies is contained together with the requirement that the impairment be cured within 90 days upon demand of the commissioner. A chapter is contained on the formation of reciprocals, foreign or domestic.

New Category Added

The category of property insurance, including fire and allied lines and all coverages on property, has been added to the classifications found in the present code. Surety coverages have been taken out of the casualty classification and made a separate class.

It is provided that the insolvency of an original company will not diminish the liability of a reinsuring company.

The investment article of the new code places some new restrictions upon investments in common stocks. It allows insurance companies additional facilities in the handling of real estate and in allowing chattel mortgages covering household utilities to be taken as part of package mortgage loans on residences and apartment houses.

The proposed code raises the budget for administering deposits of company assets from \$3,600 per year to \$5,400,

while the number of companies sharing in the expense has been increased.

The new standard provision for unauthorized service of process for mail purchases from non-admitted companies has been added.

The commissioner is given the power to prohibit use of insurance contracts found by him to be ambiguous, misleading or deceptive. The new code prescribes who may make contracts, what such contracts shall contain, how they may be made, delivered and renewed. A requirement is inserted requiring full insurance information to be furnished the purchaser of an auto on contract.

A. & H. Minimum Standards

An article is contained for the first time in the Kentucky code requiring certain standard provisions in A. & H. policies for both individual disability and group and blanket disability policies.

Standard provisions for life insurance and annuities have been inserted for the first time, along with the standard definitions for group life insurance of the N.A.I.C. There is a similar requirement pertaining to industrial life.

The requirement for stamping on the filing back of policy notice of premium reduction by the coinsurance provision has been deleted in connection with the valued policy law.

A provision follows the legislation recommended by N.A.I.C. to limit unfair practices and fraud. A provision new to Kentucky is the uniform insurers' liquidation act.

CONTINENTAL INSURER

Bus Lines Offer Vending Machine Trip Policies

Continental Bus Lines and Transcontinental Bus Lines of Dallas are the first to make a deal with Goal Insurance Machines, Inc., of Houston, providing trip accident insurance in Continental Casualty through the Goal insurance policy vending machines.

The Goal people have been very active in the preliminary stages of their development and this tie-up with the bus lines may turn out to be a sizable insurance enterprise.

The policies apparently are comparable to the well known Travelers trip accident contracts.

For 25 cents per day the policies provide \$25,000 death and dual dismemberment benefits for bus accidents and \$5,000 for other accidents and \$12,500 and \$2,500 for loss of one arm, one leg, etc.

For a seven-day trip the rate is \$1.50 and there is a provision for extending the term to a period up to six months, with the daily premium rate scaling down to 10 cents.

A. J. Emory, vice-president of Continental Bus, said that the maximum trip policy that could be purchased at bus depots in the past has been \$5,000. This has tended to create the impression that air travel is safer because \$25,000 can be purchased at airports.

Mr. Emory said that motorists, airplane passengers and railroad passengers may purchase the policies at Continental Bus stations. Motorists and airline travelers may purchase \$5,000 trip policies for 25 cents and railroad passengers may purchase a \$25,000 policy for the same premium.

Stainsby Boston Manager

Fireman's Fund Indemnity has appointed George N. Stainsby manager at Boston. Mr. Stainsby has had much experience in the casualty business and will be in charge of a new and improved development program for the New England states.

Parade of "Victims" Opens Insurance Mail Fraud Trial

Benefits Offered in
Arcadia's "Ads" Con-
trasted with Those Paid

Using some 25 ex-policyholders as witnesses to dramatize allegations of contrast between strict claim practices and mouth-watering direct-mail advertising, Assistant U. S. Attorney E. J. Ryan got the government's mail fraud prosecution against Arcadia National of Chicago under way in federal court at Chicago. Alfred Sylvanus, 54, Arcadia's president, and V. C. Johnson, 56, head of the United States Insurance Agency of Chicago, which sold the company's A. & H. policies, also are defendants.

The witnesses' generally humble economic status and their obvious lack of business sophistication made it evident that the government was trying to arouse the jury's sympathy and make it appear that the company had beamed its advertising at a grade of prospects unable or unlikely to make shrewd appraisal of the policies' limitations. The company hoped to counteract this impression with an occupational breakdown of its mailing lists.

Trial of Widespread Interest

The first such case in the insurance field to come to trial, it is of widespread interest to the entire insurance business. It could well be an entering wedge for federal regulation of insurance.

The government contends that the advertising gave a false and misleading picture of the benefits provided in the policy and paid under the company's claim practices; that of 4,555 claims filed, only 1,267 received any payment; that premium income from 1939 to 1946 was estimated at \$305,590 but only \$47,335 was paid in claims.

Emphasizes 10-Day Inspection

The defense emphasized the argument that claim practices were as liberal as the terms of the policy warranted; that the buyers were asked to read the policy carefully, to keep it for 10 days' inspection and given the privilege of returning it and getting their money back if they were not satisfied with it; that the benefits, while small, were not out of line with the premiums.

The defense scored an important point early in the trial when Judge Barnes ruled that the testimony given by Postal Inspector Van Petten as to conversations he had had with Mr. Sylvanus and Mr. Johnson could not be used to support the conspiracy charge, but only the charges against these defendants individually. This was important because it is often easier to prove a charge of conspiracy to defraud than to prove actual fraud.

Approved by Illinois Department

A point which the defendants feel to be in their favor is the fact that their advertising, as well as their policies, were approved by the Illinois department. However, this fact had not been offered as evidence by the middle of the week and it was not known how Judge Barnes would rule on its admissibility as evidence.

In the opening stages, at least, the government seemed to be underplaying

its hand. There was nothing dramatic or sensational about its presentation. Rather, Mr. Ryan and his associates seemed to be relying on the cumulative effect of their lengthy procession of witnesses and the implication that they could have put on plenty more if it had felt them to be necessary to their case.

Questioning followed pretty much a standard pattern. For example, one of the early witnesses, Raphael O. Lowrey of Longview, Tex., a carpenter who had lost two fingers in a planing mill accident and made claim under his policy, was asked if he had ever had any dealings with Arcadia Mutual Insurance Co., as it was named from 1938 to 1942.

Expenses \$300, Benefits \$42

Under questioning, he testified that he had seen the company's advertising in a magazine, had written for an application, had received it through the mail, had sent it in and had received his policy through the mail. The policy, advertising and other pertinent correspondence were admitted as evidence. He testified that his expense for doctor and hospital bills had exceeded \$300, but that he received only \$42 from the company. Mr. Ryan read to the jury an advertising letter saying among other things, "Here is complete coverage in one amazing new policy."

Victor LaRue, counsel for Arcadia and Mr. Sylvanus, brought out that below age 60 the policy would have paid a total of \$84, including eight days' hospitalization at \$3 a day, but that over age 60, which Mr. Lowrey was at the time of the accident, benefits were cut in half, hence he received only \$42.

Had Made No Complaint

Under cross-examination Mr. Lowrey said he had not liked the settlement and thought he should have had more money but had made no complaint to the company or anyone else. He said the post office inspectors came to him and told him he should have had more money, with which he agreed.

At this point, Mr. LaRue wanted to read the policy provisions as evidence that Mr. Lowrey had not been unfairly treated, but Judge Barnes ruled that in order to save time the policies would be read later by the government in connection with all the witnesses' policies, since the policies were all substantially the same except for certain differences, which would be brought out.

Commissions by Line

The New York department is sending out a supplemental insurance expense exhibit covering 1949. This replaces certain data heretofore required by the state as part of the fire and marine exhibit for fire companies and part of the old casualty expense exhibit supplement for casualty insurers. It is new in its requirement of the showing of commission by line of business on New York state direct written premiums. This heretofore was required only for fire lines.

Apparently it will be satisfactory if companies completing the supplement for 1949 determine incurred commissions on New York direct written premiums on a reasonably accurate approximation—for example determining ratio of paid commissions to paid premiums for offices and producers located in New York and applying this ratio to the state written premiums in order to obtain the state incurred commissions.

To Plan I.A.S.A. Program

Directors of Insurance Accounting & Statistical Assn. will hold their mid-winter meeting Feb. 11-12 at the Palmer House, Chicago. The board of directors and all committee members will meet jointly, Feb. 11 and the regular board meeting will be the following day. The group will plan the program for the international conference, scheduled for May 11-13, at the Hotel Statler, Boston.

Travelers Hits \$421 Million in Written Premiums

A gain of \$31,242,000 in written premium income for the Travelers companies in 1949 was reported by Vice-president Esmond Ewing in a letter sent to field representatives.

The total was \$421,621,000, marking the first time that premium income has exceeded \$400 million.

Life premiums were \$152,297,000 as against \$146,019,000 in 1948. The comparative record for the other lines is:

	1948	1949
A. & H.	55,276,000	65,470,000
P.L. and P.D.	17,532,000	19,066,000
Automobile	85,156,000	97,526,000
Compensation	46,386,000	44,347,000
Burglary and glass	5,877,000	6,811,000
Boiler and machinery	5,278,000	4,237,000
Fidelity — surety	3,559,000	3,243,000
Fire and marine . .	25,296,000	28,624,000
Total	244,360,000	269,324,000

Continental Names Three Assistant Managers in Chicago Branch Office

Gustave M. Murbach, Harold F. Frederick and George W. Rennix have been named assistant managers of the Chicago branch office of Continental Casualty.

Mr. Murbach has been in the insurance business in Chicago since 1906 when he started with R. W. Hosmer & Co. He then joined L. E. Yager & Co. as a counter-man for fire lines. Mr. Murbach entered production work in 1911 with Employers Liability and built up the Cook County department. He joined Continental Casualty group in 1928 and has been production superintendent in Chicago and northern Illinois for National Casualty.

Mr. Frederick was for five years in claims work at Chicago, Detroit and



G. W. Murbach



H. F. Frederick



G. W. Rennix

Cleveland. He was with Liberty Mutual and with Emmco at Detroit as manager in charge of liability claims. After five years in the army, he joined Continental Casualty in 1946 as special bond representative in Cook County. In 1947 he became special representative for down-state Illinois.

The entire insurance experience of Mr. Rennix has been with Continental Casualty. He joined the company in 1942 as a special agent in Illinois and Michigan. Following some underwriting experience in the home office, he was named superintendent of the educational division of the Chicago branch office in 1945, and under him a great many war veterans and others have been trained. Mr. Rennix is a Western conference football referee and a former All-American half-back on the championship Minnesota teams of 1933-35.

W. R. Dignan of W. R. Dignan Associates addressed the January meeting of Cincinnati Assn. of Insurance Women on A. & H. insurance.

New Labor Law in Effect; Many Problems Unsettled

Although the revised federal fair labor standards act became effective Wednesday, the insurance companies are still in a quandary as to how to deal with the overtime question particularly as to claim men, engineers and auditors. In the past this has not posed a problem because such employees got more than \$200 a month and hence fell in the executive class for purposes of the law. Now the exemption point is \$325 per month.

Companies have been comparing notes but apparently no satisfactory solution has been arrived at. One device, that reportedly is widely used, is to get these employees to sign employment contracts specifying an hourly rate of pay, but with a monthly guarantee. The hourly rate is one-fiftieth instead of one-fortieth of the customary weekly stipend so that such an employee would work 50 hours a week before overtime would set in. The difficulty with these outside men is to determine just what should constitute time on the job. Presumably on a 50 hour plan before overtime would come into play, the employee would be expected to charge borderline hours to the job. It would not be so necessary to decide on niceties of allocation as it would if the employee were on the regular 40-hour basis.

1949 Casualty Premiums in Texas Nearly \$200 Million

In Texas in 1949 casualty rates went down and total casualty premiums went up. Final figures are not yet available but Casualty Commissioner Gibbs predicts that total premiums will approach \$200 million. Texas has no state fund; all casualty premiums go to private insurers. In spite of rate reductions all casualty lines with the exception of title insurance will show greatly increased premium volumes. Total premiums in 1948 were \$171,083,884.

A.I.A. All-Industry Setup

WASHINGTON — Notifying A. V. Gruhn of acceptance of an invitation to membership on the all-industry committee, Wendell Berge, general counsel of Assn. of Insurance Advertisers, wrote that a majority of the latter's directors approved that action.

"Unquestionably," he said, "our association will be interested in the work of the subcommittee on mail order and unauthorized insurance. No doubt also the association will be interested in the work of some, if not all, of the other subcommittees of the all-industry committee."

The association has not designated any one person to represent it on that committee. Mr. Berge says it is the plan to designate such members as may seem best in the light of the matters to be taken up.

O.K. Prepayment Dental Plan

HARTFORD — A voluntary prepayment plan for dental care was approved last week by dentists from all parts of Connecticut attending the Connecticut Dental Health Conference here. The proposed insurance program for the dental field is similar to the Blue Cross medical plan. The recommendation must receive approval of the Dental Health Assn. board of governors.

Standard Men's Club Elects

New officers elected by the Men's Club at the home office of Standard Accident are: President, H. P. Carmichael; first vice-president, W. M. Haas; second vice-president, D. Kilpatrick; treasurer, G. Rule; assistant treasurer, E. F. Allman; secretary, H. B. Moore.

PL 15 Test Is Shaping Up in Appeals Court

National Bureau Files Briefs in Case Originating in Arkansas

The brief for National Bureau of Casualty Underwriters, Aetna Casualty and others in the case of North Little Rock Transportation Co. vs. Casualty Reciprocal Exchange has been filed by James B. Donovan, general counsel of the bureau, and Edward L. Wright of Wright, Harrison, Lindsey & Upton of Little Rock before the three judge U. S. appeals court at St. Louis. In the suit the Arkansas taxi company attacks the constitutionality of public law 15, state rating laws and assigned risk plan.

All argument has been waived at the request of the plaintiff, and the case is being submitted in briefs.

Justice Department Notified

In accordance with circuit court rules the U. S. attorney general has been formally notified of the appeal in which the constitutionality of PL 15 is being challenged. This is a requirement of federal statute in all such cases so the government has proper notice and opportunity to defend acts of Congress. To date there has been no indication that Department of Justice intends to intervene and defend the constitutionality of PL 15; the enactment of which it opposed in public hearings before Congress in 1944 and 1945.

Basic arguments of the brief are those adduced in the lower court. However, considerable additional material has been added, particularly analogies from other fields. In essence it follows a three pronged development, decision of the Supreme Court, decision of Congress and decisions of the states.

Plaintiff's Contentions Assailed

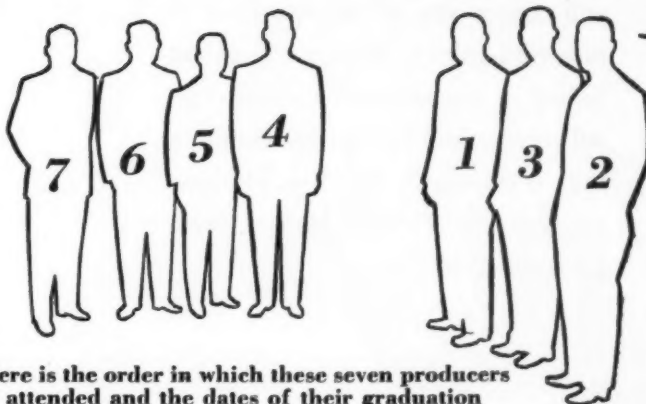
The only constitutional argument by plaintiff other than that the McCarran act is unconstitutional, is that Congress cannot suspend general laws for a period of time except under war powers. Termining the contention obscure and irrelevant, the brief states that Congress did not suspend the general law but rendered the Sherman act inapplicable to the insurance business until June 30, 1948, and thereafter to the extent that such business is regulated by state law. This is consistent with many other situations in which Congress for good reason has determined that it would not be in the public interest to have the Sherman act applied to an industry in all respects. In McLean Trucking Co. vs. U. S., the court passed on the anti-trust exemption granted certain transportation agreements among carriers when approved by the ICC. It is not for this court or any other to override a policy or an exemption from one so clearly and specifically declared by Congress, whatever may be our views of the wisdom of its action, the court said.

The point is made that Congress provided in the McCarran act the states could permit under public regulation activities which might violate the federal anti-trust laws. Regulation by public authority of course may be directly contrary to the Sherman act philosophy of unrestrained competition. It is for the legislature to determine whether a wholly free market or governmental regulation will better serve the public interest.



100% Aetna Trained

Not one ... not two ... but *every member* of the production staff of the Stuart Investment Company has attended the Aetna's Casualty and Surety Sales Course. No wonder this agency is one of the largest in Lincoln, Nebraska! And no wonder so many *other* agents, in all parts of the country, are planning to attend this intensive course in 1950. For the date of the next session, write today to the Casualty Agency Department.



- | | |
|---|----------------|
| 1. GEORGE X. SMITH | Dec. 19, 1936 |
| 2. JAMES STUART, <i>President</i> | March 22, 1941 |
| 3. GEORGE T. BASTIAN | June 20, 1942 |
| 4. CHARLES D. SAYRE | April 18, 1946 |
| 5. FRANCIS E. PINKERTON | Dec. 12, 1946 |
| 6. LEO J. BECK, JR. | Sept. 17, 1948 |
| 7. RICHARD A. LAHR | Sept. 23, 1949 |

AETNA CASUALTY AND SURETY COMPANY

The Aetna Life Affiliated Companies write practically every form of insurance and bonding protection

LIFE AND CASUALTY
Aetna Life Insurance Company
Aetna Casualty and Surety Company



Hartford 15,

FIRE AND MARINE
Automobile Insurance Company
Standard Fire Insurance Company
Connecticut

LEGISLATORS SENSITIVE

Indicate Idea All Should Be Able to Buy Auto Cover

NEW YORK—The questioning of insurance witnesses by members of the New York state joint legislative committee on insurance rates and regulation during the hearing here indicated the view that everyone should be able to buy automobile insurance. Conditions which allegedly affect the ability of people and their brokers to place various types of insurance were being discussed. Sen. Friedman of the committee declared that he intended to introduce a compulsory automobile insurance bill in this session of the legislature.

Assemblyman Dwyer sharply questioned W. E. McKell, vice-president of

American Surety, president of New York Casualty, and president of the Assn. of Casualty & Surety Cos., as to whether insurers retire from an automobile risk after the third accident and if companies maintained an underwriting policy "by indirection". Though his question was not clear, Mr. McKell attempted to answer it, whereupon Mr. Dwyer asserted that the association and its members had been less than candid with the committee since the latter was constituted. There has been no effort or desire whatsoever other than to be candid with the committee, Mr. McKell responded. Mr. Friedman asked if asso-

ciation companies followed the practice of not accepting an automobile liability risk if it had been cancelled by another company. Mr. McKell said that speaking for his own company he would look at such an offering carefully. At another point he said that on the third accident underwriters certainly would be inclined to look at the risk. Mr. Friedman wanted to know "what about the public and its protection?"

No Lack of Capacity

So far as he knew, Mr. McKell said, there is no lack of capacity in the market today. Perhaps in some individual cases it is difficult for a motorist to get coverage. But, Mr. McKell wondered, is every individual entitled to coverage? On fire and theft, if insured has been with the company over the years, Mr. McKell's company stays with him; the same is true on liability. Young drivers are insured if they are proper individuals but they do represent a special hazard.

Alex Goldberger of the brokers' association joint council indicated that casualty companies are reluctant to take insurance on autos driven by college students and said that an undue amount of insurance was being diverted to the assigned risk plan as a result.

Richard C. Wagner, assistant counsel of the Assn. of Casualty & Surety Cos., already had pointed out that underwriting concerns individual companies and is not a matter for association attention. Since August, 1949, the number of insured in the assigned risk plan has decreased 34% in New York. It is apparent that securing coverage is not the problem it has been.

Want Higher Limits

Mr. Goldberger believes there are two types of risks going into the assigned risk plan, one with a bad record of accidents on traffic violations; the other a risk that has not had a bad individual experience but that falls into a class that is frowned upon by underwriters. There is a marked public resentment, he added, on the part of risks going into the assigned risk plan because they cannot buy more than 5/10 limits. The business needs to fill this demand. He also noted lack of a fire and theft market for over-age cars and said there is no assigned risk plan to take care of such demand. It is not a big dollar exposure, but the public needs the protection. Some companies will not insure a car older than 1941 and others 1938 and 1939.

Mr. Friedman indicated he put the subject on the agenda and said he had in his possession some printed letters from casualty insurers to brokers advising them not to renew certain classes of business. Mr. Goldberger said he didn't know of any over-all policy on the part of companies to this effect but he did know that in Brooklyn certain companies have cut down on certain brokers' volume.

A. C. Deisseroth of Syracuse, past president of the New York State Assn. of Insurance Agents, and Roy C. McCullough, deputy insurance superintendent, also appeared to discuss this subject. Mr. Deisseroth said that inability to secure automobile insurance sometimes results from poor credit. Many people want automobile insurance but some hate to pay for it. Policies have been cancelled because the premium was not paid.

TAXI LIMITS

Brokers, attorneys, and the insurance department favor a change in the law to require higher liability limits on taxicabs in New York, and it was apparent from the questioning of committee members that they also are thinking along this line. The New York City Bar Assn. and the New York County Lawyers Assn. specifically have asked for an increase. Mr. Goldberger, again representing the brokers association joint council, expressed himself in favor of giving the public more protection. Nor-

man Lustig, chairman insurance committee of the Brooklyn Bar Assn., was quoted as saying that the legislature should increase limits as a matter of public duty.

Superintendent Dineen said that the facts tell their own story. His department has been making a study. It is completed but not printed and will be distributed at the next session of the legislative committee Feb. 3. Limits elsewhere, many of them fixed by municipalities, show that New York is far behind. An examination of claim files of insurers demonstrates the incontrovertible fact that a plaintiff can't get more than the insurance, he said. The present limit of \$2,500/\$5,000 is an anachronism. In the end, the taxi owners and drivers should not complain because their experience will determine what they pay for the coverage.

Owners Protest Increase

Jack J. Jackman of the League of Mutual Taxi Owners, staunchly opposed the increase for his 1,800 members because it would mean increased hardship for the small operator who runs his own cab or at most has one driver. At present the premium for a single cab operating a single shift ranges from \$20 to \$38 per month. The loss ratio on this group is 38 to 42%. He objected to taxis being singled out for compulsory cover. The increase to 5/10 would cost from \$6 to \$8 a month more.

Paul Bleakley, counsel for the committee, said to Mr. Jackman that there is considerable sentiment in the state for compulsory automobile on private passenger cars. Also, even under the present law, the private passenger driver only gets one bite.

Mr. Friedman said that the additional cost would only run about \$1.50 a week and he thought the public is entitled to that much more protection. Mr. Jackman's chief argument was that the additional cost was put on the safest driver, that is the small cab owner-operator.

Mr. Rabin of the committee said that with a devalued dollar the public is entitled to more protection. Abram Weisinger, publisher of the Taxicab Weekly, asked to be heard. Mr. Friedman drew a laugh from the crowd when he asked Mr. Weisinger if he had anything to do with publication of the Weekly Underwriter, whose current issue carried a crash picture on the front cover. Mr. Weisinger testified to the same effect as Mr. Jackman, as did Martin Coffey of the Amalgamated Taxi Assn. The latter operates Amalgamated Mutual Auto Casualty which writes liability on the taxicabs of the association's members. The insurer has for 20 years returned a 25% dividend, which encourages the drivers to be careful. He suggested lawyers stop taking 50% of settlements—that would be a help.

Business Must Woo Customer

"Business men today must woo the customer because the customer is king," Charles R. Choquette, director of mail and publications of Aetna Life, told the East Hartford Chamber of Commerce.

Mr. Choquette warned that customers can make or break a business, and pointed out that an effective public relations campaign could save a tottering concern.

Mr. Choquette cited advantages of direct mail. "The door is never closed to the mail man, but mail advertising must be persuasive and be followed up. There is no such thing as a one-shot campaign."

He told the merchants to make letters informal and avoid that "printed look."

Morrison to Provident L. & A.

J. L. Morrison, home office group manager of North American Life & Casualty since 1945, has gone with Provident Life & Accident as a member of the home office group staff.

He was group representative of Travelers at Chicago 1928-37 and at Minneapolis for nine years. He is a member of the group committee of H. & A. Underwriters Conference.

WANTED SURETY MAN

If you are definitely able to produce a sizable volume of Surety business from agents and brokers in Illinois for one of the leading insurance companies in the country, they will assure you of an excellent future and salary. Salary will be adjusted in proportion to production. All replies will be strictly confidential. Address Y 26, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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ACCIDENT & HEALTH POLICY.

SHOW HIM HOW TO OBTAIN IT!!!

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Give

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Gives Analysis of U. & O. Coverages

(CONTINUED FROM PAGE 4)

months though he probably thought he had only enough for six.

Selection of the form for a particular risk is not difficult. For mercantile, non-manufacturing, hotels, restaurants, theaters, and service risks use the single item gross earnings form. This insures all expenses which necessarily continue (provided they would have been earned) during interruption and since their interruptions are usually either partial or of short duration few expenses can be avoided.

For manufacturing or mining risks the two item form is often indicated. When both items are insured for 80% and the ordinary payroll plus light, heat and power exceeds 52% of gross earnings the cost of this form will be less than the 50% gross earnings form. If only the first item is insured the cost will be less if ordinary payroll plus light, heat and power exceeds 33% of gross earnings.

The second item requires insurance of at least 80% of insured's entire ordinary payroll expense for not less than 90 consecutive days (which means 25% of annual payroll). It is liable only for the wages of those necessary for proper resumption of business. If insured can lay off without pay enough readily replaceable employees his saving will cause the required insurance to cover actual loss sustained for a longer period. The liability is not limited to a 90 day period. It is limited only by the actual loss, amount of insurance and contribution clause.

This item is based on ordinary payroll expense which includes in addition to the actual payroll, compensation insurance, social security, unemployment and other taxes or contributions which fluctuate with it.

Gross Earnings Form

In other situations the all inclusive gross earnings form with 50-60-70 or 80% clause will usually be found advisable. Do not overlook the fact that this form will cover actual loss for a period longer than indicated by the percentages if insured lops off all expense that is not absolutely necessary. In case of short or partial suspensions there will be few items of expense to quibble over and certainly they are all insured if they necessarily continue.

Excepting mail order concerns, brokers, commission salesmen, and a few others, few non-manufacturers need contingent B.I. but a great majority of manufacturers are candidates for it. Many of them depend on public utilities for power and light and a greater number are dependent on others for vital raw materials, parts, and tools.

Contribution in the contingent forms is based upon the earnings of insured which are dependent upon or affected by non-delivery from contributing plants. The suspension period commences with the date when non-delivery affects insured's business and thereafter runs for the full time necessary to restore the contributing plant, unless in the meantime normal deliveries are again being made or insured has secured materials from other sources. In the latter case B.I. is liable for increased cost, if any, to the extent that it reduces the loss.

Finished Stock Not Covered

The manufacturer's insurance is not liable for loss resulting from damage to or destruction of finished stock nor for the time required to reproduce it. The valid reason for excluding finished stock is that it was produced previous to the loss and the insurance liability is limited to loss caused by prevention of production thereafter.

To protect against loss of earnings due to destruction of finished stock a manufacturer should either carry profits insurance or insure it at market value,

which means lowest net cash selling price less unincurred expenses.

In addition to the time necessary to restore the plant the form allows the time, not exceeding 30 days, necessary to put stock in process to the same state it stood at date of loss. It defines "stock in process" as raw stock, which has undergone any aging, seasoning, mechanical or other process of manufacture at the described location but which has not become finished stock. In the rare cases when needed the 30-day limit may be extended by endorsement plus additional premium.

Both the manufacturing and mercantile forms assume liability for expense incurred to reduce the loss for not exceeding the amount by which the loss is thereby reduced and both provide that such expense shall not be subject to application of the contribution clause.

The insurance is not liable for loss occasioned by ordinance or law regulating construction or repair of buildings; by suspension, lapse, or cancellation of any lease or license, contract or order; by interference at the described

premises by strikers, but this latter exclusion does not apply if strikers at other locations interfere with production or delivery of needed restoration materials.

If insured pays rent it is an expense of his business which will likely continue during partial suspension and during a total suspension of short duration but it may abate under lease terms if total suspension extends for a long period.

Ground rental seldom ceases under any circumstances and there are space leases which require lessee to pay rent even though the premises are made untenable by disaster.

Rent received by insured for space allotted to a concessionaire is other income derived from operation of the business. Rent received for space leased to others for conduct of an independent business is not so derived and therefore should be insured under rent or rental value form.

Department store "leased departments" usually are really affiliates whose operation contributes to the income of the parent store. Rent received from others who are conducting an independent business may be insured under rent or rental value at somewhat lesser cost.

The agreed amount endorsement was devised to overcome insured's fear of being found without sufficient insurance, but for some unknown reason its use is limited to mercantiles. It requires insured to file a statement, certified by a C.P.A., of operations for the last fiscal year from which is determined an agreed amount; similar statements must be filed each year and new endorsements made. Filings are required within 60 days after close of insured's fiscal year. If they are not so filed and properly certified the full amount (100%) endorsement must be attached.

If the rules are complied with insured will not be penalized by the contribution clause but if not complied with contribution will be on the basis shown on the original form.

Premium Adjustment Endorsement

The premium adjustment endorsement may be used only with the gross earnings form for either mercantile or manufacturers. In effect it says that if all required reports of values are made the companies will refund 90% of any excess premium paid. It may not be attached to policies containing the agreed amount endorsement yet it requires the same report of values.

Because mid-west forms do not limit

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We Make Sure Agents Get All 3

Hawkeye-Security-Industrial helps every agent to step-up his production and that's what every agent is interested in.

By providing all-around service the year 'round HAWKEYE-SECURITY-INDUSTRIAL helps agents build sales.

Lack of red tape . . . speedy efficient settlement of claims . . . constant help from field representatives combine to give HAWKEYE-SECURITY - INDUSTRIAL'S agents service that is outstanding.



HAWKEYE CASUALTY CO.

SECURITY FIRE INS. CO.

INDUSTRIAL INS. CO.

Des Moines, Iowa

HAWKEYE · SECURITY · INDUSTRIAL · THREE OF THE FINEST

time of suspension, the endorsement includes wording which limits liability to that percentage of one year's actual interruption value specified in the contribution clause.

For example, on actual gross earnings of \$225,000, insurance with 50% contribution clause would not be liable for more than \$112,500 even though insured had \$200,000 insurance and suspension of over a year which caused a loss of more than \$112,500.

This restriction is to prevent insured from protecting against a prolonged shutdown with an excess of insurance and demanding premium adjustment on basis of the required percentage to annual gross earnings.

Extra expense insurance was made primarily for publishers whose traditions require regular issues regardless of difficulties, disasters, or expense. It was found attractive to operators of various service concerns, who like the

publishers, felt that failure to make deliveries would be disastrous to their business.

Extra expense insurance is not liable for loss of earnings. Its purpose is to protect those concerns whose business must go on at an extra expense greater than could be recovered under the "expense incurred to reduce the loss feature" of earnings insurance. It is best adapted to publishers; brokers—especially stock and grain brokers; banks, doctors, dentists, lawyers, and insurance agencies, architects and accountants. Among buyers of extra expense insurance are found laundries, dry cleaners, milk distributors and gasoline stations.

There are few concerns that do not face some loss of earnings when business is interrupted. For those who are bold enough to say they will have no loss of income extra expense insurance is ideal. For those who can show they

will have some loss of earnings and that the "expense to reduce the loss" feature of earnings insurance will not yield enough to cover their extra expense. The choice of forms is not easy.

To afford them complete protection both earnings and extra expense insurance may be necessary. In such cases the extra expense should be written as "excess," that is, its liability should be limited to pay only that portion of extra expense which is not collectible under the "expense to reduce the loss feature" of earnings insurance.

The extra expense form limits its liability to the restoration period in words identical with those in gross earnings form but it automatically extends to cover until the insurance is exhausted up to a limit of 12 months.

Give 40% in First Month

Not more than 40% of the amount of insurance can be specified for the first month (or any other) and the amount of insurance must be so calculated. The form is so worded that the stipulated percentages are cumulative until 100% is reached. If insured wants 40% for the first month and 20% for each succeeding month, the specified percentage for restoration period not exceeding two months should be 60%, for three months 80%, for four months 100%.

In the event that extra expense incurred during the longest period of restoration for which provision is made does not exhaust the insurance, such unexhausted limit of liability shall apply for the remainder of the period of restoration, not exceeding 12 months.

Central National Bank Case

Central National Bank of Chicago burned March 31, 1947. It had \$100,000 extra expense insurance. Next day temporary quarters were found and the bank with make-shift facilities opened for business. Other banks helped, but they had to be paid. Money and records had to be moved by armored service, rent for temporary quarters, special watch service, radio and newspaper announcements, bonuses to employees for overtime and various other unusual expenses reached a total of more than \$195,000. Insurance paid \$100,000.

This bank was a co-insurer on its building loss; it was grossly underinsured on its extra expense loss. Its experience should impress other concerns and cause them to review their insurance situation before their loss comes.

Accountants' Liability Rates Are Reduced

American Surety and Indemnity of North America have filed rate reductions on accountants' liability ranging from 9.1% on smaller policies to 5.6% on larger, according to a bulletin of American Institute of Accountants. London Lloyds is the other insurer writing this form. The institute indicates the forms now are practically identical.

From time to time the accountants' liability insurance committee has been asked to recommend amounts of liability coverage which should be carried by various firms. The committee has not found this possible to do. However, American Surety and Indemnity of North America advise that where the staff numbers 1 to 5, the average amount carried is \$26,000; 6-10, \$42,000; 11-25, \$56,000; 26-50, \$95,000.

The two companies indicate they believe most policyholders would be warranted in carrying larger amounts, which would be possible with their relatively small additional outlay in premium. Amounts are not shown for firms with more than 50 staff members because there are such wide variations in practice among firms of this size with consequent variations in amounts of possible claims.

The rate reductions are not applicable in Kentucky, Louisiana, Montana, Minnesota and South Dakota, until further notice.

Detroit Rueful on Its Sad Sack Role

(CONTINUED FROM PAGE 2)

storm in January and it took the companies almost all the rest of the year to overcome this effect. Detroit has the reputation of being free of disastrous winds, but it was hard hit in 1947 which was a year that was shy on wind losses in regions from which such is expected.

Apparently the dwelling loss ratio is nothing to brag about here. It is close to the break-even point. One important company is following the practice of inspecting every dwelling risk in Detroit. There are some blighted areas in Detroit, but it is doubtful that this is any more of a loss factor than it is in any other big city. Some think that the proportion of insurance to value of dwellings is on the average less than in other cities.

Rates Are Doubled

An interesting development is the activity of Wayne Mutual Fire of Detroit. This company some time ago filed double fire rates and began writing business in the blighted area that is known here as "Inside the Boulevard" or "Paradise Valley." This company has been taking up to \$5,000 per property at double rates in this section. The rate filing doesn't specify this area, but of course, the company would get no offering except in areas where business was going begging at regular rates.

In a recent form letter Secretary Ralph Miller of that company notified agents that Wayne Mutual is prepared to offer an enlarged market for fire and e. lines on residences, business property, manufacturing risks and contents.

"As a mutual company, we have been authorized by the Michigan department of insurance to add an 100% increase to standard rates in order to enable us to write insurance contracts without restriction as to location or occupancy."

"In view of the rapidly changing circumstances, the company has found it advisable to limit all contracts to three years and \$20,000 on any one risk. In the event the amount limit should prove insufficient, in exceptional cases, other arrangements can be made."

Agree on Arbitration in Fire-Casualty Conflicts

NEW YORK—The executive committees of Assn. of Casualty & Surety Companies and National Board have approved the principle of arbitration of conflicts between fire and casualty policies, excluding subrogation claims arising under automobile contracts. They have recommended use by companies of the arbitration program already set up.

Interested insurers are urged promptly to agree among themselves on a method of payment to insured pending arbitration. Arbitrators up to three for each controverting company are selected from members of the claims bureau advisory committee of the association and appointed by the general manager of the association and three from the membership of the committee on adjustment of National Board appointed by its general manager. Companies may agree to a lesser equal number of arbitrators. Arbitrators shall decide cases submitted after having discussed the facts at a meeting. If a majority decision cannot be reached, additional arbitrators are to be appointed. Cases presented for arbitration shall be considered if one of more of the interested insurers is a member of the board or of the association.

Join Carolina Casualty

C. E. Brooks has joined Carolina Casualty as safety engineer. He has been with Virginia Surety.

K. B. Marlette has joined Carolina Casualty as superintendent of field representatives.

USE YOUR OWN COMPANIES WHEN POSSIBLE

Otherwise Let Us Help You with Your Unusual or Difficult Problems—



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R. B. Jones & Sons Inc.

C. REID CLOON, Manager

175 W. JACKSON BLVD.

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January 26, 1949
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Western Adjustment No Break Yet Reports on 1949 in Brinks Case

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10%, largely as the result of the trend toward issuing combined policies. Repair shops are back to a normal condition and are soliciting business, but parts and labor prices have not shown much of a reduction. Only a few dealers are granting discounts on parts, but repair work is becoming more competitive, a favorable sign pointing toward a possible reduction in labor charges and further extension of discounts.

Salvage values have decreased approximately 50% since the high year of 1946.

In the inland marine line, the number of losses was practically the same, but there was an increase in the number of larger losses, particularly in the bailee and special floater type classifications.

The salvage and subrogation department continued on a substantial basis, the overall recovery being \$4,272,987, or 64.4%. Salvage returns declined slightly while the percentage of subrogation recovery showed further gain. By classifications, the recovery items were:

	Cases	Loss	Recovery	% Re- covery	Att'y Fees
Fire					
Salvage	809	13,046,432	1,730,132*		
Subr.	1,544	980,386	658,503	111,904	54.9
Wind.					
Salvage	36	154,303	41,812*		
Auto					
Salvage	2,112	2,072,102	479,671		
Subr.	5,428	1,583,993	1,111,816	267,521	70.1
Inland Mar.					
Salvage	666	1,063,168	1,220,050		
Subr.	507	229,616	150,900	19,815	65.7
Totals					
Salvage	3,623	16,336,006	2,471,667		
Subr.	7,479	2,793,977	1,801,320	399,241	64.4

*Through facilities of Underwriters Salvage Co.

Ben Butler Now Western Adjustment General Mgr.

(CONTINUED FROM PAGE 1)

meeting, the number of directors was increased from 15 to 17.

The stockholders' report was unanimously approved.

Immediately following the stockholders' meeting, a special meeting of the directors was held at which President John C. Harding and Vice-president E. A. Henne were reelected.

Roy A. Sellery, who has served as general manager since 1926 and who will shortly commence his 50th year with the organization, was elected executive vice-president and also reelected treasurer.

Mr. Sellery will be succeeded as general manager by Ben M. Butler who, since Jan. 1, 1946, has been assistant general manager. Mr. Butler was also elected secretary, succeeding Mr. Sellery in that office.

J. H. Burlingame, Jr., who has completed over 36 years with the organization, the last 12 as assistant general manager, was reelected assistant secretary-treasurer and will continue as assistant general manager. R. V. Cherry, Gale Tilman, R. M. Ryan, H. W. Rutledge and R. M. Beatty were reelected assistant secretaries.

Mr. Sellery will continue as the organization's senior executive.

The appointment of Mr. Butler as general manager was made at Mr. Sellery's request.

Independent Insurers

Map Tex. Rally Apr. 20-21

A regional meeting of National Assn. of Independent Insurers and an annual meeting of its statistical department has been scheduled for the Plaza hotel, San Antonio, April 20-21. There will be taken up at that time, rate law questions, problems, problems of rate filings, statistical matters and uniform accounting. Thomas Morrill and J. J. Higgins of the New York department have agreed to be on hand and lead discussions.

At midweek there had been no break in the \$1½ million robbery of Brinks at Boston. Commercial Union, which had the burglary and robbery coverage, with reinsurance in London, offered 5% of recovered cash as a reward additional to Brinks' reward of \$100,000.

President E. H. Carson of National Surety in a bulletin to agents pointed out that Brinks have been clients of the company for many years through Joyce & Co. of Chicago and that National carried the burglary and robbery insurance during the early years until it was converted to an inland marine form 25 years ago before National entered the inland field. National does carry a substantial three D policy on Brinks' own money and many miscellaneous bonds.

National Surety's name received prominence in connection with the holdup as a result of the attention immediately given to the affair by its Boston claim attorney, John Morley. He was approached by the press because of his recognized standing in this field and his remarks were widely quoted. This led to the impression that National was directly involved in the loss.

Mr. Morley is especially skilled in the handling of losses of this character. His early action was prompted not alone because of National's direct interest in Brinks but also on account of the large volume of holdup insurance it is carrying for Boston business concerns whose policies are endorsed to cover, on an excess basis, property in the custody of a transporter for hire.

Murphy Urges Public Education as Means to Stop Federal Regulation

Sound education of the public and public officials is the most effective way to prevent more severe regulation, stop governmental encroachments and correct existing misinformation about the casualty and surety business, Ray Murphy, general counsel of Assn. of Casualty & Surety Companies, declared in an address at the annual banquet of Atlanta Claims Assn.

The business stands at the point where it must make its practices and principles better known and understood, he said, adding that the threats with which insurance is confronted would not be serious and to a large extent may never have developed, if it had been recognized that public education and prevention are essential parts of business production.

Great progress has been made in the improvement of claim conditions, he noted, calling attention to the accomplishments of the companies individually and through the claims bureau of Assn. of Casualty & Surety Companies. Particularly in the field of claims, however, the business cannot leave any part of its practices and policies misunderstood or unknown. Some recent legislative actions show that they are unknown even among legislators and public officials who made laws governing insurance operations.

The business has enjoyed phenomenal growth, Mr. Murphy stated, and this may tend to quiet fears about the future. It should arouse greater vigilance. The public, in its quest for security, is becoming more and more insurance conscious. This presents problems that did not exist some years ago. It means that while insurance can have more friends it can also have more enemies.

To Discuss Fire Legal Liability

A panel discussion on fire legal liability insurance will feature the January meeting of Michigan C.P.C.U. at Detroit. H. Thompson Stock, president, will preside.

Panel participants will be Robert F. Sommer, executive secretary of Standard Accident; Paul J. Trout, assistant

manager of Employers Liability, and M. Robert Olp, assistant vice-president of Marsh & McLennan. Frank J. Gossinger of the Byrnes-Caffrey agency, is program chairman.

Rename Ind. Governing Group

At the annual meeting of the Indiana automobile assigned risk plan the governing committee was reelected, including J. E. Faust, State Auto; John Sandy, Michigan Mutual Liability; John Scanlon, Ohio Casualty; H. R. Nevins, State Farm Mutual; V. M. Ray, Hoosier Casualty; Gilbert Ryan, U. S. F. & G. John

D. Pearson continues as manager. Commissioner Viehmann, Larue Leonard, director safety responsibility division; Samuel Scheivley, director driver examinations, and Bud Moore, director traffic safety division, addressed the group.

Gorman to Mass. Bonding

Arthur Gorman has been named supervisor of agencies in northern California for Massachusetts Bonding. Mr. Gorman has been San Francisco resident vice-president for National Automobile & Casualty.

Behind the Scenes With YOUR INSURANCE COMPANY

Behind the scenes in your insurance company is a ceaseless activity called loss prevention. Day and night this service operates, preventing or limiting losses which, if unchecked, would run into millions of dollars and seriously affect the business community.

blueprint for BANK ROBBERY



In a large midwestern bank, plans were being made to remodel the vaults. When the plans reached the blueprint stage they were examined by American Surety Group's bank protection specialists. To the trained eyes of these men it was at once apparent that while adequate security would be provided for customer-owned property, the vault space for the bank's own property would be temptingly exposed. Our bank protection men knew that they were looking at a blueprint for bank robbery!

Through this example of loss prevention service, a potentially dangerous plan was abandoned, new and safer arrangements were substituted, and the robbery hazard brought down to normal.

By reducing the risk of loss in all types of business, our loss prevention service not only gives greater protection to the insured, but also helps to keep insurance costs down so that more people and more businesses can have insurance protection. Loss prevention service is an integral part of the insurance protection available through every one of our agents and brokers.

One of a series appearing in general and business magazines pointing out the little-known free services which our Companies provide for their insured.



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AMERICAN SURETY COMPANY
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Casualty • Surety • Automobile • Inland Marine

100 Broadway, New York 5, N. Y.

NEWS OF THE CASUALTY COMPANIES

Mullaney, Ginsburgh Advanced by Am. Mutual Liability

Frank R. Mullaney and Harold J. Ginsburgh have been named to new positions with American Mutual Liability. Mr. Mullaney will assume a newly created position as financial vice-president. He will also serve as assistant to the president and continue as secretary of the three American Mutual companies. Mr. Ginsburgh, vice-president, will succeed Mr. Mullaney as manager of the underwriting department and will continue as actuary.

Mr. Mullaney joined American Mutual in 1917 as actuary and in 1919 was named assistant secretary. In 1927 he became secretary, and in 1936 vice-president and secretary.

Mr. Ginsburgh joined American Mutual in 1926 as executive and actuarial assistant. From 1930-1937 he was as-

sistant secretary and between 1937 and 1943 served as assistant vice-president. In 1943 he was named a vice-president. He has served as vice-president and president of Casualty Actuarial Society.

F. & D. Operations at New Highs in 1949

Earned premiums of Fidelity & Deposit were at a new high in all lines except fidelity in 1949, reaching a total of \$16,712,170. Assets on Dec. 31 were \$47,323,521.

F. & D.'s earned premiums were \$16,594,840, an increase of \$1,555,015, and losses incurred amounted to \$5,511,448, or 33.2% of earned premiums. Losses on fidelity bonds increased substantially over 1948 and the trend in this line is definitely upward, President Frank A. Bach remarked.

Expenses to premiums written were 55.4%. The company showed an underwriting gain of \$2,424,186, an increase of \$1,535,110, and net investment income totaled \$1,069,867.

F. & D. split its \$20 par stock early in 1949 and declared a 25% stock dividend, increasing the capital to \$3 million, consisting of 300,000 shares of par \$10 stock. Profit per share on the new stock amounted to \$7.29 in 1949 as against \$4.97 in 1948 on a comparable basis.

Mr. Bach in his report said that F. & D. is in the strongest financial condition in its history and added that surplus funds are adequate to finance a larger volume of business than the company is currently writing.

Mark Heads Neb. Unit

Robert Mark of Des Moines has been named manager of Farm Bureau Ins. Co. of Nebraska. He is assistant claims superintendent with Iowa Farm Mutual, affiliated with Iowa Farm Bureau. He succeeds Orval Thrush, who resigned the Nebraska position to become manager of the Kansas Farm Bureau Ins. Co.

Files Composite Rate Plan

Pacific Indemnity has filed a composite rating plan with the Washington department. The plan, which became effective Jan. 1, enables the company to experience rate risks in the following categories: Burglary, theft and robbery; glass and general liability.

Another Stock Split

Stockholders of Government Employees Ins. Co. of Washington will vote March 21 on a proposal to declare a 16 2/3% stock dividend. This will increase the capitalization from 150,000 to 175,000 shares of \$4 par value stock.

A 20% stock dividend was paid July 1, 1949. Surplus to policyholders exceeds \$2,700,000.

Michigan Mutual Liability and Transportation of Chicago have been licensed in California.

Westra Returns to Madison

J. D. Westra, for the past five years educational director and assistant agency director of North American Life & Casualty, will return to Madison, Wis., as manager late in February. Steve Sturlaugson, who succeeds Mr. Westra at Madison, will remain in the agency as a personal producer.

29 in Standard Accident Class

The 1950 training school of Standard Accident has an enrollment of 29, of whom 17 are employees of the company, the remainder being members of company agencies. The class began Jan. 9 and will run until April 7, covering group casualty lines.

ACCIDENT AND HEALTH

Business Men's Assurance Promotes Five in H. O.

Business Men's Assurance has advanced David B. Alport from assistant secretary to vice-president in charge of underwriting; Homer C. Pogue, Sr., from manager of the group department to vice-president in charge of group; W. D. Grant from reinsurance secretary to assistant vice-president; Jack R. Morris, publicity director to director of public relations heading a newly created department; and Lawrence Leopold to assistant secretary.

Kenneth A. Spencer, president of Spencer Chemical Co., and George L. Gordon, general counsel of B.M.A., were elected directors.

Boston Association Elects

Boston A. & H. Assn. at its January meeting elected these officers: President, Christopher F. Lee, Columbian National Life; vice-president, Richard B. Strickland, Craftsman; secretary, Harry C. Hawthorne, H. C. Hawthorne & Co.; treasurer, James G. Shaw, New Amsterdam Casualty.

W. B. Cornett, vice-president of Loyal Protective Life, spoke on "Prospecting and Sales" and John B. Lambert, Mutual Benefit H. & A., Cleveland, vice-president of the International association, stressed the value of closer cooperation among A. & H. men.

Start Tenn. Medical Study

NASHVILLE—A Tennessee medical study commission, appointed by Gov. Browning under an act of the 1949 legislature, met here this week to organize and begin an exhaustive study of state medical needs. Designed to work with Tennessee Medical Assn. in support of medical service by private practitioners rather than federal socialized medicine, the commission will report to the next legislature.

Edgar to Install Officers

W. A. Edgar, vice-president of U. S. F. & G., will install the new officers of A. & H. Club of New York Jan. 26.

C. Michael Cronin of Travelers is the new president. Each of the meetings to be held in 1950 will recognize the 25th anniversary of the club.

Ritter in Agency Field

Harry E. Ritter, Jr., for several years supervisor of production in the A. & H. department of General Accident at its U. S. head office, has resigned that post to purchase the business of the late S. R. Townshend, district manager of the company in Philadelphia, and will hereafter devote himself entirely to that agency.

Before joining the General Accident Mr. Ritter was with the home office of National Accident & Health.

Chicago Women's "Pickup"

The women's division of Chicago A. & H. Assn. will have a mid-winter pickup at the Palmer House Jan. 31. Dinner arrangements are being made by Miss Carrie Grae, Hooper-Holmes Bureau.

The president, Mrs. Maryland Hull, Zurich, will be in charge. Miss Mary Miller, Employers Liability, will intro-

duce the speaker, Miss Wesley Hunt who will show colored slides depicting life in Japan and display her collection of Oriental objets d'art.

Stenseth Colorado President

Colorado Assn. of A. & H. Underwriters has elected Milton V. Stenseth, Aetna Life, Denver, president; Margaret Harrison, Columbian National Life, vice-president, and T. B. Dodd, Federal Life & Casualty, secretary.

Change New Jersey Setup

New Jersey A. & H. Assn. has decided to hold its meetings quarterly in various parts of the state. The next meeting will be held in March at Newark. The directors will hold meetings there each month.

Blue Shield Ups Rates

Michigan Medical Service, the Blue Shield insurer, has filed applications to increase rates for individual insureds 10 cents per month, for husband and wife by 20 cents and for the family by 35 cents. There has been no rate increase since 1947.

Budds Leads General Accident

J. Vincent Budds of Hartford was the leading producer in the country in 1949 for the A. & H. division of General Accident. He also placed the highest number of applications in any one month. He is with the C. A. Warner agency there.

SURETY

Meinst Heads No. Cal. Surety Underwriters

Stuart D. Meinst, Fireman's Fund, has been elected president of Surety Underwriters Assn. of Northern California. Other new officers are: Vice-president, Carl H. Kuhn, Fidelity & Deposit, and secretary-treasurer, Donald J. Stenick, Standard Accident.

Arthur M. Colomb, Glens Falls Indemnity, was appointed chairman of the educational and publicity committee. Legislative committee chairman is Mr. Kuhn; rates and forms, Ray Mitchell, Travelers, and membership, Carroll Young, Fidelity & Casualty.

Extend L. A. Surety Course

The surety educational program, sponsored by Surety Underwriters Assn. of Southern California and Insurance Assn. of Los Angeles, has proved so successful that a second week's classes are being held this week.

In addition to the program at Los Angeles, Luther E. Mackall, the instructor, will conduct a class at Long Beach starting Jan. 30.

Employers Fire Joins

Employers Fire has been elected to membership in Surety Assn. of America bringing the association membership to 56.

Ralph H. Platts, president of Standard Accident has been elected a director of State Bank of Sandusky.

WANT ADS

OPPORTUNITY

For experienced casualty special agent to represent large nationally known casualty company to supervise a well developed territory in Northern or Southern Ohio. Multiple line casualty insurance experience necessary and knowledge of bonds desirable but not essential. Will lead to position as manager of service office to be opened this year. Address Y-28, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Experienced casualty claim adjuster for home office claim examiner's position. Write, giving necessary information as to background, etc. Good opportunity. Special offer for man with bus, truck and taxicab experience. Our organization has knowledge of this advertisement. Address reply to Box 1275, Burlington, North Carolina.

WANTED

General Agency connections with both a fire and casualty company in Colorado, Kansas, and adjacent states, to handle large volume of automobile and general insurance. We have good agents all over this territory. Address: 216 Mercantile Bldg., Denver 2, Colorado.

Experienced casualty adjuster by established Arizona independent. Address in own handwriting, giving age, experience, references. All answers confidential. Good opportunity right party. Address Y-30, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

CLAIM ADJUSTER CHICAGO OFFICE

Leading multiple line group has opening in western department claim department for adjuster up to 35 years old with burglary and general casualty experience. Call CEntral 6-8570 and ask for Mr. Redman.

ADJUSTER

WANTED

Experienced bodily injury adjuster wanted by large Chicago branch office of old reliable mutual casualty company. In reply state age and qualifications. Replies treated confidential. Michigan Mutual Liability Co., 30 W. Jackson Blvd., Chicago 4, Illinois.

AVAILABLE

Man with 20 years experience both Company and Agency in Casualty (some Surety, Inland Marine, Fire) seeks permanent position as Department Manager with Company or Agency, supervising Production and Underwriting Casualty lines or as Casualty Branch Manager. Age 39, LL.B. degree. Address Y-31, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

PRITCHARD AND BAIRD

99 John St., New York 7, N. Y.

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CHANGES IN CASUALTY FIELD

Continental Cas. Promotes Five on Pacific Coast

Robert J. Bolson, John H. Cramer, Charles I. Wise, Charles A. Fowler and Warren Winchenbach have been promoted by Continental Casualty at Los Angeles and San Francisco.

Mr. Bolson becomes west coast resident supervisor of the special risks and aviation-accident division. He is a graduate of Fordham university and joined Continental Casualty at New York. He replaces Frank V. McCullough, who has been promoted to superintendent of the special risks division at the home office.

Mr. Cramer becomes resident supervisor of the special risks division at San Francisco. He started with Continental at the home office as field supervisor in the aviation-accident division.

Mr. Wise becomes A. & H. manager at Los Angeles. He started with the company in 1940, and after service with the army returned as field supervisor in Ohio and later in Texas.

Mr. Fowler becomes manager of the casualty department at Los Angeles. He attended West Virginia university law school and was with Indemnity of North America at Pittsburgh before the war. After service with the marines, he joined Zurich at Los Angeles.

Mr. Winchenbach becomes casualty underwriter. After war service he joined Fidelity & Casualty, and moved to Los Angeles with Rathbone, King & Seeley.

Reinhold Detroit U. S. F. & G. Head

BALTIMORE—Harold P. Reinhold has been appointed Detroit manager of U.S.F.&G. He was formerly assistant manager there and he succeeds Charles L. Hoffman who died suddenly Dec. 22.

James S. Fenwick, formerly co-manager at Detroit, has been appointed resident secretary in charge of fidelity and surety there.

George M. Taylor, assistant manager, will be in charge of the casualty department at Detroit.

American Auto Promotes Two at Philadelphia

Edward M. Saunders and Donald P. McKay have been promoted to assistant managers at Philadelphia for American Automobile. Mr. Saunders has been underwriting manager and will continue to devote his time to that line, while Mr. McKay advances from a supervisory position in the bond and burglary department to assume direction of general production activities.

Mr. Saunders attended Emory university and started with American Auto in 1939 at Atlanta. He was transferred to Philadelphia in 1941. He is a C.P.C.U.

Mr. McKay is a graduate of the University of Wisconsin. He started in the agency business in that state in 1927 and after company experience in Chicago, joined American Automobile there in 1941. He moved to Philadelphia in 1948.

Richter Installed at Aetna Luncheon at G.R.

Aetna Casualty was host at a luncheon at Grand Rapids at which time Harold M. Richter was officially installed as manager of the new branch there. Taking part in the occasion from the head office was Vice-president C. G. Hallowell and Rudolph Larson, field supervisor, who in a shift of territories has just taken Michigan under his wing.

Mr. Richter has been superintendent of agents at Syracuse.

Presiding at the luncheon was John Horton, Detroit manager, and formerly manager for the entire state when the Grand Rapids unit was a service office. It was at Mr. Horton's suggestion that the Grand Rapids unit was converted to a branch basis. Mr. Horton started with Aetna 46 years ago at the home office and from 1911 to 1917 was at Philadelphia. He opened the Michigan branch at Lansing in 1917 and this was transferred to Grand Rapids in 1923, and in 1929, Mr. Horton went to Detroit in charge of the entire state.

At the luncheon talks were made by Mr. Hallowell, Mr. Larson and Ernest Nelson, life general agent of Aetna at Grand Rapids, as well as Mr. Richter, who responded.

William A. Lyman, agency supervisor at Grand Rapids, is leaving there to go with the Aetna Casualty general agency at Chattanooga, Tenn.

Dinneen Manages Trinity Universal Chicago Claims

Edward V. Dinneen has been appointed claims manager at Chicago for Trinity Universal, effective Feb. 1. For the past four years he has been claims manager for London & Lancashire at Chicago and has for 20 years been in claims work in Chicago. G. A. Mavon & Co. are Illinois general agents for Trinity Universal.

Liberty Mutual Appoints French Assistant V.-P.

Liberty Mutual has promoted G. E. French, superintendent of the midwest claims division, to assistant vice-president at Chicago. Mr. French joined the company as an adjuster at Boston in 1920, going to Chicago in 1928. He will continue in charge of the midwest claims division.

Kiesselbach to Home Office

T. J. Kiesselbach, who has been district manager at Mason City, Ia., for the State Farm companies, has been transferred to the home office as regional director for 11 states.

At Mason City, he is succeeded by Elmer Holm, Nebraska football star, who has been in charge at Davenport.

ASSOCIATIONS

Two St. Louis Associations Elect New Officers

New officers of Casualty Executives Assn. and Surety Underwriters Assn. of St. Louis were elected at a joint meeting and dinner.

The Casualty Executives Assn. officers are: President, John A. Patterson, Massachusetts Bonding; vice-president, R. A. Hallahan, Metropolitan Casualty; secretary, E. C. Kottmeier, Fidelity & Casualty; executive committee, L. H. Antoine, American-Associated; O. L. Curtis, American Surety; Howard Blair, Aetna Casualty; H. A. Bush, U. S. F. & G.; and H. A. Martin, Maryland Casualty.

Surety Underwriters Assn. elected: President, James R. Searles, Fidelity & Deposit; vice-president, Herbert W. Hitchings, Fidelity & Casualty; secretary, Clarence J. Crockett, Maryland Casualty; executive committee, Mr. Antoine; J. E. Craig, Aetna Casualty; Mr. Hallahan; J. E. Howe, American Surety, and K. L. Nordyke, Travelers Indemnity.

Chicago Adjusters Project Inclusive Education Plan

James E. MacLean, conducting his first business meeting since becoming president of Casualty Adjusters Assn. of Chicago, made committee appointments for the coming year and outlined the purposes of two new committees: Education and employment, and public relations and safety.

Mr. MacLean, in explaining that the education committee has a great need to fill, pointed out that it long has been felt in casualty claim circles that there is a need for improvement in service being rendered the public by those now in the field. He emphasized that there is even a greater need for making certain that prospective adjusters be properly trained and educated.

An educational course is being started, which, in the beginning, will consist of one lecture a week for seven weeks, with each lecture lasting 1½ hours. Leading Chicago claim men will conduct the classes. In urging that the companies request all members of their claim departments to attend, Mr. MacLean said that membership in the association is not a requisite.

The ultimate intention is to approach a Chicago university with the hope that the course may be made a part

of its curriculum with college credit given for it. Mr. MacLean expressed the opinion that this may lead more young men to enter casualty adjusting and will eliminate the raiding of personnel among the companies. It will be especially effective, he said, because an employment service will be instituted which will register all men completing the college course.

The public relations committee is to spread the gospel of safety wherever possible and to have available information on safety whenever it may be needed by any civic or other organization.

Employers Casualty Has 13 H. O. and Field Promotions

Employers Casualty of Dallas and Texas Employers have made 13 managerial and official promotions.

B. J. Pittman, Jr., vice-president in charge at Dallas, has been named vice-president in charge of public relations. D. D. Redman, vice-president in west Texas, has been named vice-president at Dallas, and Alfred Webber, district manager at Dallas, has been elected vice-president in charge of the west Texas territory. W. M. Hill, manager at Corpus Christi, has been appointed manager at Dallas.

C. G. Weakley, vice-president and sales manager, continues as vice-president in charge of sales and service, while E. S. Willis, executive representative, becomes sales manager. J. G. Claiborne, sales promotion manager, takes on the additional duties of assistant sales manager.

L. A. Guthrie, vice-president and claims manager, continues as vice-president in charge of claims, and T. W. Wassell, claims attorney, becomes claims manager.

Ben H. Mitchell, vice-president and secretary, will function in an administrative capacity. G. W. Greathouse has been elected vice-president in charge of underwriting and Ramey R. Price has been elected assistant secretary. Robert S. Stephens has been elected assistant secretary of Texas Employers and will continue as assistant secretary of Employers Casualty.

The companies have opened an office at San Angelo with Robert F. Jackson in charge. He has been at Amarillo. Oliver C. McConnell is in charge of claims.

Minneapolis Insurance Agents Assn., Minneapolis Assn. of Insurance Women and the Minnesota Fire Underwriters Assn. on Feb. 1 will begin a course for new clerical workers. The classes will run to June 1.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Coufal Is New President of Omaha Local Board

OMAHA—Robert A. Coufal, chairman of Omaha Insurance Agency, was elected president of Insurors of Omaha at the annual meeting. George G. Barker, Foster-Barker Co., and outgoing president, is now chairman.

First vice-president is L. C. Brooks, Dunbar agency; second vice-president Kenneth Schenck, A. A. Westergaard Co. Thomas A. Bryan, Western Securities Co., was reelected secretary.

Richard W. Walker, Byron Reed Company, and Charles W. Martin, Martin Brothers and Company, were elected as new directors.

New officers will be installed at a dinner Feb. 15.



R. A. Coufal

Ford Dealer Denied License

COLUMBUS — Birkett L. Williams, a Ford dealer at Cleveland, has been denied a license to write insurance by the Ohio department. He had applied for a solicitor's license. It is understood he will not appeal the case. In the past, applications for insurance licenses by automobile agencies have been filed mainly by General Motors dealers. It is understood that dealers in other cars have also filed requests for licenses but so far as known outside the department none has been granted. It is reported that complaints have been filed in connection with the activities of several General Motors representatives and it is likely that hearings will be held before long by the department.

Install at South Bend

SOUTH BEND, IND.—New officers installed by South Bend-Mishawaka Assn. of Insurance Agents are: H. Ray Walker, South Bend, president; J. Harold Kiracofe, Mishawaka, vice-president; Donly Barth, South Bend, secretary; W. J. Welsh, Mishawaka, retiring president, goes on the board.

Raymond Jones, Fidelity & Deposit, Chicago, discussed commercial bonds.

Shape Midyear Program

Minnesota Assn. of Insurance Agents at its midyear meeting at St. Paul, March 16-17, will hear Ernestine Robin, editor of Hartford Agent, speak on the power and influence of women in buying insurance.

R. Maynard Toelle, American Foreign, and Arne Brogger, attorney, St. Paul F. & M., also will be speakers. St. Paul-Mercury Indemnity will sponsor a complimentary luncheon at which Dr. J. O. Christianson, principal of the school of agriculture, University of Minnesota, will talk. On the final day the Southeastern Agents Regional association will put on a model agents meeting.

Seek Cotton F.P. Program

MEMPHIS—Meeting in advance of National Cotton Council, in session here this week, a special committee drafted a resolution asking for a united and coordinated fire prevention program, with insurance companies and railroads participating. Representatives of producers, ginners, warehousemen, oil mill operators, shippers and spinners will meet with representatives of the in-

surors and railroads to integrate a "belt-wide" plan to reduce fire hazards in the cotton industry.

St. Louis Group Installs

Calvin H. Bowersox was installed as president of Associated Insurance Agents & Brokers of St. Louis at its silver anniversary dinner Jan. 25. Mr. Bowersox has just concluded a term as president of Insurance Council of St. Louis.

Quentin P. Alt, vice-president; Ben C. Finke, treasurer, and Leo C. Krell, secretary, all were reelected.

Superintendent Leggett was an honored guest. Sidney E. Carter, executive director of Worsham Institute, spoke on "Survival in a Competitive Age."

Offer Three Package Plans

SUPERIOR, WIS.—Superior Board of Underwriters has presented three package plans of insurance to the insurance committees of the city council and the board of education. A "tailor-made" fidelity bond would cover all public employees, with burglary included. Fire insurance would also be written under a master policy with the premium apportioned among the agents, who would provide annual surveys to keep the policy up to date. The third package is protection for liability, workmen's compensation and boiler insurance.

EAST

New York Farm Mutuals Hold Meeting at Syracuse

SYRACUSE — About 250 secretaries and other officers of 130 New York farm mutuals attended the annual meeting here of New York State Central Organization of Cooperative Fire Insurance Companies.

Reports were made by William A. Benton of Wassaic, president; E. W. Vary of Watertown, treasurer, and R. M. Stanton of Greille, secretary, who reported membership of 107 companies. He said with the increased volume of business, the loss ratio and operating costs had increased to \$2.99 per \$1,000.

First day speakers included A. A. Arnold, assistant business analyst Springfield Bank of Cooperatives, Springfield, Mass., and Stanley Monroe of Syracuse, representing the Treasury Department. Mr. Arnold pointed out the importance of cooperation between the Springfield bank and insurers, including the farm mutuals.

Harry P. Cooper, Jr., secretary of National Assn. of Mutual Insurance Companies, Indianapolis, traced 50 years' progress of mutual insurance.

Bulkley Elected President

Charles G. Bulkley of Springfield F. & M., has been elected president of Western Massachusetts Field Club. Other officers are Robert E. Burnham, Jr., of Phoenix, vice-president; Peter J. Levins of Automobile, secretary; and E. Packer Wilbur, 3rd, of Fire Assn., treasurer.

N. J. Fire Rate Changes

Fire Insurance Rating Organization of New Jersey has announced 18 fire rate adjustments, both reductions and increases. Some chemical manufacturing classes have been increased, along with churches, Sunday schools, etc. Frame educational institutions have been reduced but those of brick have been increased. Food products manufacturing

plants are down 10%, along with garages, public and bus, of frame and brick, protected and unprotected, but those garages of fire resistive construction are up 10%, protected and unprotected. A 5% credit has been granted for fire resistive dwellings, protected and unprotected.

COAST

A. H. Bonstin Elected by Pacific Fire Loss Assn.

New president of Pacific Coast Fire Loss Assn. elected at the annual meeting is A. H. Bonstin, claims manager of New York Underwriters. Elwood Godsall, St. Paul F. & M., is vice-president;



A. H. Bonstin



Elwood Godsall

Jay R. Jones, America Fore, is secretary and A. E. Stroth, Loyalty Group, is treasurer.

Named to the executive committee were the officers, S. H. Bucholz, Royal-Liverpool, past president, and William



J. R. Jones



A. E. Stroth

Steven, Glens Falls. New committee chairman appointed by Mr. Bonstin are: Contact, Jean Andrus, Aetna Fire; education, Francis F. Seitz, Pacific National Fire; forms, J. H. Sommers, Northwestern National; inland marine, John Park, General Adjustment Bureau; membership, Doris Schreiber, National Union; problems, William Brown, Providence Washington, and publicity, Mary Church, Security of New Haven.

Reinstatement Policy

In order to make unnecessary the general distribution of a revised endorsement, all members of Pacific Board announced their intention of conforming to the following procedure for reinstating insurance after a loss:

In the event of any loss payment under a policy not exceeding \$500, the amount of insurance under that policy shall not be reduced. In the event of the actual attachment of the said endorsement by the agent, it will be unnecessary to furnish a copy to the company.

Settle Wash. School Loss

The Sultan (Wash.) school fire loss of April 5, 1948, has been settled at a compromise figure of \$125,000 plus an interest allowance of \$5,000.

At the time of the fire the school had fire coverage of \$164,406 distributed among the following companies: Cali-

fornia, \$4,000; Commercial Union, \$3,000; Employers Fire, \$35,000; Fireman's Fund, \$52,543; Home Fire & Marine, \$54,453; Liverpool & London & Globe, \$6,000; Queen, \$4,500; and Royal, \$5,000.

A representative of the school board had estimated the damage at \$148,360 while an appraiser for the companies estimated the loss at \$116,624. The settlement was made out of court.

Holm Joins Groninger & Co.

Groninger & Co., Seattle general agents, have appointed Oscar F. Holm fire and inland marine special agent.

A graduate of the University of Oregon, Mr. Holm served in the air corps before entering insurance with North America in 1947 at Philadelphia. In 1948 he was transferred to Seattle.

SOUTH

New N. C. Rule on Rate Change Announcements

North Carolina state insurance advisory board has adopted a new regulation on the timing of announcements of rate changes requiring that the commissioner's decision following a public hearing "shall be made public as soon after the hearings as is feasible." Commissioner Cheek at the same time has taken under consideration a request by the mutual agents that changes be timed with an eye on the 45-day period of grace usually included in fire and automobile renewals. The mutual men contend that if effective dates are delayed for about 60 days from the time agents are notified, it would forestall cancellations by customers taking advantage of the grace period to secure lower rates.

Elect at Winston-Salem

WINSTON-SALEM, N. C.—Paul S. Nunn has been elected president of Winston-Salem Insurance Exchange to succeed Paul W. Spough.

Thomas L. Ogburn is vice-president, succeeding Marcus A. Wilkinson, and Meriwether Cunningham, reelected secretary.

New Dallas Agency

The Rupley-Walker Insurance Service, a local agency, has been established at 3607 Greenville avenue, Dallas, by Ira L. Rupley and Edwin F. Walker. Mr. Rupley has been in the investment, real estate and insurance business for 30 years. Mr. Walker has had 20 years of experience including four years with the Texas insurance department.

Projects Office Building

Fireman's Fund has purchased a site at the corner of Peachtree and Fourteenth streets at Atlanta for about \$125,000. The company plans to construct a two-story building there which will house its southern department office.

Pioneer Club Has Dinner

Members of the Pioneer Club of Fireman's Fund southern department held their annual dinner at Atlanta. The club is composed of employees with 25 years or more service.

Texas Agents C. of C. Heads

A. D. Cummings, Olney, Tex., and M. C. Dalchau, Llano, Tex. local agents have been elected presidents of their local chambers of commerce. Ovel Essary, Houston, has been elected president of the junior chamber of commerce there.

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Famous American Homes

The Home of John Bowne

"He suffered much for truth's sake"

IMPRISONED and banished from the country because of his allegiance to the "abominable sect called Quakers," John Bowne steadfastly refused to act contrary to his conscience. His earnest pleas for tolerance won the first official proclamation of religious freedom in America outside of Maryland.

Migrating to this country from his native England, John Bowne eventually settled in Flushing, Long Island, in 1651. With his wife Hannah he roamed through the woods selecting timber for their home which he built in 1661 and which reflected his position as a prosperous farmer. The house is still standing. Now a part of Greater New York, the farm was bought by Bowne from the Indians for eight strings of wampum valued at about fourteen dollars.

It was Hannah Bowne who first became a member of the Friends. Then out of curiosity John attended one of their meetings which had to be held in the woods because of the violent opposition to the sect. He was so much impressed by the beauty and simplicity of their faith that he allied himself with the group, invited them to meet at his house thereafter, and soon became one of their leaders.

As a result, Bowne was thrown into a dungeon at Fort Amsterdam, was kept in solitary confinement on a bread-and-water diet, and ordered to pay a fine, but he refused to do so or to renounce his beliefs. Because of his "contempt of the authorities," he was deported to Holland. However, the Amsterdam Chamber of the West India Company in whose hands his case was put, released him, finding him a discreet man and steadfast in his religion. Moreover, they wrote a firm letter to the officials here: "Let everyone be unmolested as long as he is modest, as long as his conduct in a political sense is unimpeachable,



The Quakers held forbidden meetings in this kitchen where they sat on rows of benches before the fireplace



Portrait of George Fox hangs beside an early 18th century highboy in dining room

as long as he does not disturb others or the government." This official statement ended the persecution of the Quakers.

By the time Bowne at last reached home, the province had passed into British jurisdiction

and for many years he held meetings at his home. Two famous Quakers, William Penn and George Fox, were guests there. So many gathered to hear the latter that he was obliged to conduct his services out of doors under the sheltering branches of two huge oaks which afterwards came to be known as the "Fox Oaks."

For a number of generations Bowne's home remained in the possession of his

descendants. It is now maintained by the Bowne House Historical Society as a shrine to freedom and tolerance.

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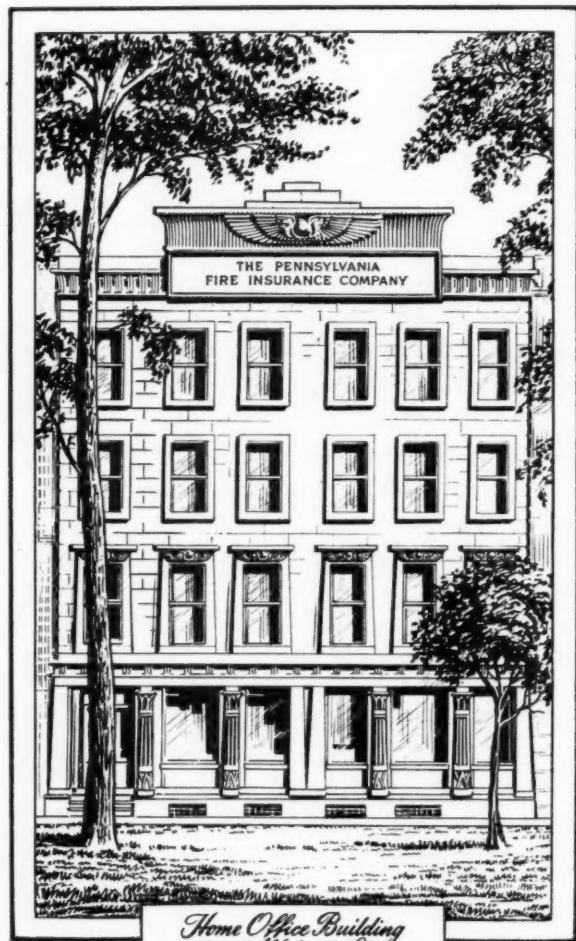


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